

DHS Headquarters Consolidation Project: Issues for Congress

Updated December 19, 2014

Congressional Research Service

<https://crsreports.congress.gov>

R42753

Summary

The Department of Homeland Security (DHS) was established in early 2003, bringing together existing parts of 22 different federal agencies and departments in a new framework of operations. In its first few years, the department was reorganized multiple times, and more focus was given to ensuring its components were addressing the perceived threats facing the country rather than to addressing the new organization's management structure and headquarters needs. Therefore, the consolidation of physical infrastructure that one might expect in creating an operation of such size and breadth did not occur at that time.

As the Coast Guard began to plan consolidating its leases on headquarters facilities into secure federally owned space, DHS was finding its original headquarters space at the Nebraska Avenue Complex too limited to meet its evolving needs. In 2006, the George W. Bush Administration proposed combining the two projects into one \$3.45 billion headquarters consolidation project on the West Campus of St. Elizabeths Hospital in Anacostia.

Since that year, Administrations of both parties have requested funding for this initiative. Thus far, the project has received \$495 million from DHS and \$1,063 million from the General Services Administration (GSA), for a total of \$1,558 million through FY2014. Most of these resources have been allocated to the construction of a new consolidated headquarters for the Coast Guard on the campus, which opened on June 29, 2013.

However, this project has not received sustained funding from Congress—70% of the funding it has received so far came in FY2009 when a surge of supplemental funding combined with the regular appropriations for GSA and DHS provided \$1.1 billion for the project. With the completion of its first key component, and the release of a new cost estimate reflecting a less aggressive construction plan, the debate over this project enters a new phase.

The purpose of this report is to outline the policy considerations to be evaluated in deciding whether to continue funding the consolidation of the remaining DHS headquarters functions at St. Elizabeths, and to explore some of the benefits and consequences of several possible ways forward.

The fate of this initiative could have significant impact on the department operationally, budgetarily, and culturally. Operationally, a consolidated headquarters could enhance management efficiency, provide a more capable departmental operations center to help coordinate the federal response to natural disasters and terrorist attacks, and provide a higher level of security for many DHS headquarters functions. Budgetarily, the department would benefit from reduced overhead costs in the long term, but would face significant pressure on its near term budget to see the construction through to completion. Culturally, the new headquarters could help promote the integration of the department's components into "One DHS," and have some direct and indirect contributions to improving departmental morale.

This report examines four potential ways forward for the headquarters project: Going no further than the Coast Guard headquarters phase; reducing the future DHS presence on the campus and sharing the site with other government agencies; proceeding with the project as outlined in the June 2013 baseline; and aggressively funding the project to accelerate completion.

Making a decision to proceed or not with DHS headquarters consolidation on the West Campus St. Elizabeths will not make certain costs vanish. Whatever course Congress chooses to follow, costs will be rebalanced between a number of types of expenses: construction costs, ongoing lease expenses, the costs of maintaining and restoring the West Campus of St. Elizabeths, and operational and management tradeoffs that are difficult to quantify. The need for the continuing

missions of the DHS components, the existence of DHS as an entity, and the realities of putting St. Elizabeths back to productive use drive these costs—even an optimally efficient mix of these investments will still result in significant costs to the federal government.

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Background

The Department of Homeland Security (DHS) was established by the Homeland Security Act of 2002¹ (HSA) and became operational January 24, 2003, barely 16 months after the terrorist attacks on the Pentagon and World Trade Center on September 11, 2001. Rather than being as a completely new entity, the department was established by assembling existing parts of 22 different federal agencies and departments into a new framework.² The timing and means of establishing DHS, coupled with the perceived urgency of its mission in its early years, hastened the growth and development of the department's operational capabilities. At the same time, these factors hindered potential efforts to more fully integrate the functions of the department's different components.

A former Navy facility at the corner of Nebraska and Massachusetts Avenues in northwest Washington, DC (known as “the NAC,” short for “the Nebraska Avenue Complex”) was designated as the interim DHS headquarters shortly after the confirmation of Tom Ridge as the first secretary of the department. The headquarters functions of the department's components were not physically consolidated at the time, but instead were left scattered across the National Capital Region in accordance with their past history, rather than their new role in the DHS. As a result, DHS today stands as the third-largest department of the federal government,³ but runs its operations from more than 50 different locations in the National Capital Region.⁴

In 2004, the Coast Guard (one of the larger components of the newly minted DHS) began to explore how to meet its needs for new headquarters facilities. The Coast Guard headquarters was housed in several leased locations that were too small for the Coast Guard's needs and prone to flooding.⁵ The General Services Administration (GSA), the Office of Management and Budget (OMB), and DHS determined that a federally owned site would be more cost-effective than securing a replacement lease. In the meantime, the interim location of the DHS headquarters was proving to be inadequate. One of the initial assumptions at the time of the establishment of DHS was that the department would only need a headquarters staff of roughly 800 persons. Once the department was established and roles, responsibilities, and management needs became clear, DHS determined that the NAC would not meet mission execution requirements over the long term.⁶

In December, 2004, GSA became the landlord of record for the West Campus of St. Elizabeths Hospital⁷ in southeast Washington, DC, which had recently been declared excess by the Department of Health and Human Services (HHS). The campus was also a National Historic Landmark, due its architecture and its service since the mid-19th century. The passage of time and

¹ P.L. 107-296.

² A complete list can be found at http://www.dhs.gov/xabout/history/editorial_0133.shtm.

³ This relative ranking is based on the number of employees.

⁴ Written testimony of Norman Dong, Commissioner, Public Buildings Service, U.S. General Services Administration, testifying before the House Committee on Homeland Security's Subcommittee on Oversight and Management Efficiency, “Oversight of the DHS Headquarters Project at St. Elizabeths: Impact on the Taxpayer,” September 19, 2014, p. 1.

⁵ Written testimony of Joseph Moravec, Commissioner, Public Buildings Service, U.S. General Services Administration, as recorded in U.S. Congress, House Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, *The Fiscal Year 2006 Budget for Coast Guard and Maritime Transportation Programs, and H.R. 889, The Coast Guard and Maritime Transportation Act of 2005*, 109th Cong., 1st sess., March 3, 2005, Doc. No. 20-872 (Washington: GPO, 2005), p. 79.

⁶ CRS discussions with GSA and DHS staff during site visit to St. Elizabeths, November 16, 2011.

⁷ The formal name of the site is “St. Elizabeths Hospital,” spelled without an apostrophe.

the lack of maintenance and upgrades to the campus over the years had taken a toll. Restoring the buildings to basic operating capacity was estimated by Senate Government Reform Committee investigators as approaching \$500 million in 2003. Senator Collins noted in a hearing on federal investments in real property:

The deterioration of the West Campus of St. Elizabeths is a particularly tragic example of how the Federal Government's mismanagement of its real property can result in massive waste of taxpayer dollars. This hearing will examine how this once elegant, thriving Federal property has deteriorated to the point that it could cost nearly \$500 million to rehabilitate its buildings....

The poor oversight of St. Elizabeths by both HHS and the D.C. Government is inexcusable. What was a valuable asset in the mid-1980's today is a massive liability.⁸

Nevertheless, the 182-acre site at the time had 61 buildings with 1.1 million square feet of space and represented, according to GSA, "the last parcel of Federally owned land in the District, with a capacity to house large agencies with high-level security requirements."⁹ The decision was made to keep the West Campus of St. Elizabeths as a part of the federal real estate portfolio.

President George W. Bush's FY2006 budget request had announced the Administration's plan to consolidate the Coast Guard's headquarters on the West Campus of St. Elizabeths—an initiative that received initial planning funding in GSA's budget that year.¹⁰ The Administration's FY2007 budget request sought the initial tranche of construction funding for the new Coast Guard headquarters through the DHS appropriations bill, but both House and Senate appropriators, when briefed on the idea of a larger consolidation project for DHS headquarters at the site, directed DHS to not proceed on either project until a new headquarters master plan was completed.¹¹

In October 2006, DHS Secretary Michael Chertoff put forward a master plan for "unifying ... core headquarters facilities with those of our operating components," which essentially broadened the Coast Guard project to include the overall DHS headquarters consolidation as well, moving 14,000 of the 22,000 people that were projected to staff headquarters functions for the department and its components to St. Elizabeths.¹² Earlier that year, the White House issued a report entitled "The Federal Response to Katrina: Lessons Learned." While this report did not call for a consolidated DHS headquarters *per se*, it did state a need to develop a joint departmental operations center with robust command and control functions to promote more efficient incident response.¹³ This need would be used to help advocate for the consolidated headquarters project in future years.

⁸ U.S. Congress, Senate Committee on Governmental Affairs, *Deteriorating Buildings and Wasted Opportunities: The Need for Federal Real Property Reform*, 108th Cong., 1st sess., October 1, 2003, S.Hrg. 108-270 (Washington: GPO, 2004), p. 2.

⁹ Statement of Joseph Moravec, Commissioner of Public Building Service, U.S. General Services Administration, as recorded in U.S. Congress, House Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation, *The Fiscal Year 2006 Budget for Coast Guard and Maritime Transportation Programs, and H.R. 889, The Coast Guard and Maritime Transportation Act of 2005*, 109th Cong., 1st sess., March 3, 2005, Doc. No. 20-872 (Washington: GPO, 2005), p. 10.

¹⁰ U.S. General Services Administration, *FY 2006 Congressional Justifications*, Washington, DC, February, 2006.

¹¹ H.Rept. 109-699, p. 118-199.

¹² Department of Homeland Security, *Department of Homeland Security National Capital Region Housing Master Plan: Building a Unified Department*, Washington, DC, October 2006, p. 2.

¹³ White House, *The Federal Response to Hurricane Katrina: Lessons Learned*, Washington, DC, February 23, 2006, p. 91.

Since that year, Administrations of both parties have requested funding for this initiative to support a coordinated construction plan. However, this project has not received consistent funding—over 70% of the funding it has received so far came in FY2009 when a surge of supplemental funding combined with the regular appropriations for GSA and DHS provided almost \$1.1 billion for the project. Most of these funds were used to construct the new 1.2 million square foot Coast Guard headquarters at St. Elizabeths, which the Coast Guard occupied in 2013.

Given this lack of consistent funding, Administration officials indicated in 2012 that the coordinated construction schedule was no longer feasible. The cost estimates for the project, provided in June 2013, present a phased approach of funding individual “useable segments” of roughly 300,000 gross square feet each year. If funding is provided for one segment each year, DHS and GSA indicate the project will cost \$4.5 billion to complete, with the final segment completing in FY2026.¹⁴ Even so, GSA estimates \$697 million in savings over thirty years solely comparing construction costs to lease costs.¹⁵

The revised baseline for the project does note that if additional funding is provided in earlier years that “segments could be collapsed, shortening the timeline and reducing the estimated project cost.”¹⁶ However, even with the revised schedule with potentially more annually affordable structuring of work, each of the first four years of the new plan would require an annual investment of over \$330 million by DHS and GSA combined. FY2014 represented the first fiscal year in which funding was requested following this new baseline, and the \$190 million provided to GSA and DHS for project construction was more than \$164 million short of the request level.

In September, 2014, the Government Accountability Office (GAO) reported that DHS and GSA “did not follow relevant GSA guidance and GAO’s leading practices when developing the cost and schedule estimates for the St. Elizabeths project, and the estimates are unreliable.”¹⁷ Critics pointed to the report as evidence of mismanagement of the project. GSA and DHS testified that improved compliance with these guidelines would be a part of their latest revision of the project plan, which was under development at the time the report was released and which was promised as a part of the FY2016 budget request for DHS.

Arguments for and Against Headquarters Consolidation

Justifications Made for Consolidation

The initial DHS National Capital Region Housing Master Plan¹⁸ stated that increased consolidation and co-location of DHS headquarters functions was needed to accomplish five objectives:

- Improve mission effectiveness;
- Create a unified DHS organization;

¹⁴ “St. Elizabeths Development Revised Baseline,” document provided by DHS, June 12, 2013.

¹⁵ General Services Administration, “Prospectus—Construction: Department of Homeland Security Consolidation at St. Elizabeths, Washington, DC,” PDC-002-WA15, p. 13 at http://gsa.gov/graphics/pbs/FY2015_Washington_DC_Department_of_Homeland_Security_Consolidation_at_St_Elizabeths.pdf.

¹⁶ “St. Elizabeths Development Revised Baseline,” document provided by DHS, June 12, 2013, Note.

¹⁷ U.S. Government Accountability Office, *DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation*, GAO-14-648, September 19, 2014, Highlights.

¹⁸ Department of Homeland Security, *Department of Homeland Security National Capital Region Housing Master Plan: Building a Unified Department*, Washington, DC, October 2006.

- Increase organizational efficiency;
- Adjust the size of the real estate portfolio to better fit the mission of DHS; and
- Reduce real estate occupancy costs.

In testimony before the House Appropriations Committee Homeland Security Subcommittee on March 25, 2010, Elaine Duke, Under Secretary for Management for the department, simplified this list to three reasons:

- To increase effectiveness and efficiency;
- To enhance communication; and
- To “foster a ‘one DHS’¹⁹ culture that would optimize department-wide, prevention, response and recovery capabilities.”²⁰

Former DHS Secretary Michael Chertoff, who signed the original DHS Consolidation Master Plan, recently described the consolidation project as being “very important both from symbolic and operational standpoint. It would provide an enormous amount of leverage in defining the department.”²¹

Many of DHS’s components are in leased facilities, despite the fact that the government’s existing policy is to use federally owned sites for national security functions.²² Consolidation would help bring DHS in line with that policy, which would also reduce the department’s overhead costs.

According to GSA, over the next 30 years, the St. Elizabeths project would save the government almost \$700 million when comparing the costs of its construction to the cost of continued leasing.²³ This analysis of cost savings does not include administrative cost savings or efficiencies made available by co-locating parts of DHS operations.

Why St. Elizabeths?

The DHS Housing Master Plan analyzed 15 possible sites to see if they could meet the department’s requirements. DHS and GSA determined in their program of requirements for DHS in the National Capital Region that DHS needed a minimum of 4.5 million square feet of office space specifically for headquarters functions on a secure campus, housing nearly 14,000 DHS personnel, out of an overall need for 7.1 million square feet in the region.²⁴ The NAC, if fully developed, could only provide 1.2 million square feet.²⁵

¹⁹ “One DHS” is a term used by past and present secretaries of the department to describe a DHS that operates as a single unit rather than a collection of individual components.

²⁰ Duke, Elaine C., DHS Under Secretary for Management, written testimony, “Homeland Security Headquarters Facilities,” before the House Appropriations Committee Homeland Security Subcommittee, March 25, 2010. Available at http://ipv6.dhs.gov/ynews/testimony/testimony_127427995276.shtm.

²¹ Chertoff, Michael, response to question posed to a panel on “The Department of Homeland Security: Past, Present, and Future,” at the Aspen Security Forum, July 28, 2012. Video available at <http://aspensecurityforum.org/2012-video-day-3>.

²² General Services Administration, “DHS Headquarters Location Analysis,” September 2008, p. 6.

²³ General Services Administration, “Prospectus—Construction: Department of Homeland Security Consolidation at St. Elizabeths, Washington, DC,” PDC-0002-WA15, p. 13, at http://gsa.gov/graphics/pbs/FY2015_Washington_DC_Department_of_Homeland_Security_Consolidation_at_St_Elizabeths.pdf.

²⁴ Department of Homeland Security, *Department of Homeland Security National Capital Region Housing Master Plan: Building a Unified Department*, Washington, DC, October 2006, p. 5.

²⁵ *Ibid.*, p. 7.

Aside from space, the other requirements noted in the study were:

- Compatibility with DHS security needs;
- Closeness to the White House and Congress;
- Availability for development by DHS;
- Ability to be ready on DHS's timetable;
- Proximity to major roadways;
- Proximity to mass transit;
- Proximity to neighborhood amenities; and
- Availability of an adjacent parcel that can accommodate additional office development and parking.

The analysis found St. Elizabeths was the best match, meeting eight of the nine requirements (neighborhood amenities were not deemed present at the time, but were anticipated to develop). According to GSA, St. Elizabeths was the only site available that was capable of meeting DHS's needs.²⁶

In addition, under 41 CFR Section 102-73.255, "prior to acquiring, constructing, or leasing buildings (or sites for such buildings), Federal agencies must use, to the maximum extent feasible, historic properties available to the agency."²⁷

Other benefits often cited for consolidation at the St. Elizabeths Campus include economic benefits to the local community and security benefits to nearby federal facilities. St. Elizabeths, since its establishment, has been a government-controlled closed campus. It overlooks Joint Base Anacostia-Bolling²⁸ and the Defense Information Systems Agency, which has expressed its desire that the property remain a government-controlled closed campus.

With the Coast Guard headquarters becoming operational in a new building at St. Elizabeths customized to their needs, it seems that those that argue for siting DHS headquarters there can argue their case based on the existence of a concrete investment in the property that is now functional—literally, the presence of DHS at St. Elizabeths is now a "fact on the ground." The active policy debate now is how far and how quickly one should go with consolidation of DHS headquarters at St. Elizabeths, rather than where it should be done.

On September 23, 2011, the House Committee Transportation and Infrastructure's Subcommittee on Coast Guard and Maritime Transportation held a hearing to review the status of the DHS headquarters consolidation project, focusing on the move of the Coast Guard to St. Elizabeths, and the effect it would have on the Coast Guard's budget and operations. The subcommittee chairman noted that in 2006, the Coast Guard authorization bill required GSA to provide in its master plan for another agency of DHS to move to St. Elizabeths at about the same time. This was done out of concern that the Coast Guard would be "isolated" at the Anacostia site, both in the sense of continuing the pattern of fragmentation of DHS component headquarters, and the lack of needed road infrastructure to access the site, which he noted was a long-standing concern

²⁶ Department of Homeland Security, *Department of Homeland Security National Capital Region Housing Master Plan: Building a Unified Department*, Washington, DC, October 2006, pp. 4-5.

²⁷ 41 CFR 102-73.255, as downloaded from GPOAccess's "Electronic Code of Federal Regulations," <http://ecfr.gpoaccess.gov>.

²⁸ Formerly known as Bolling Air Force Base and the Anacostia Naval Annex.

of the subcommittee.²⁹ Therefore the presence of the Coast Guard becomes an argument for further consolidation efforts, and the road improvements they would require.

Concerns Voiced over Consolidation

Opponents of consolidation have questioned the need for a single large headquarters. Some critics have expressed the belief that the single headquarters concept is outdated, proposing “distributed” headquarters facilities connected via the Internet.³⁰

As is noted in later sections of the report, concerns have been voiced by some Members of Congress about schedule delays and cost increases.

Others oppose consolidation on the grounds that the department’s establishment was flawed and that its overall structure should be revisited.³¹

Why Not St. Elizabeths?

Some historic preservationists voiced concerns that the project would fail to preserve the historic character of the site,³² while others have balked at the cost of “constructive reuse” of the site’s historic buildings. The 2003 estimate of a nearly \$500 million price tag to restore basic functionality to the campus buildings could be read as an indicator of just how difficult and expensive this project could become.

In January 2014, the majority staff of the House Committee on Homeland Security released “Reality Check Needed: Rising Costs and Delays in Construction of New DHS Headquarters at St. Elizabeths,” a report that expressed concerns about the continuation of the project as envisioned given budgetary constraints, noting in the summary:

The Committee recognizes the Department of Homeland Security’s (DHS) need to consolidate activities to increase the Department’s efficiency and improve its operations and coordination. However, DHS currently lacks vision to adapt the construction of St. Elizabeths to the fiscal challenges facing our Nation.³³

At a September 19, 2014, hearing before the House Committee on Homeland Security’s subcommittee on Oversight and Management Efficiency, GAO noted inconsistent oversight of the project by DHS and a failure by both DHS and GSA to plan the project in accordance with either GSA guidelines or industry best practices for major acquisitions. Among the criticisms lodged against the project was a failure to periodically reevaluate alternative approaches to the

²⁹ Representative Frank LoBiondo, opening statement to “Review and Status of the Multibillion-Dollar Department of Homeland Security Relocation Project in Washington, DC, and its Impacts on the U.S. Coast Guard,” House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation, September 23, 2011, p. 1.

³⁰ Slabbert, Nicholas, “Telecommunities,” Urban Land Institute, May 2005. As downloaded from <http://www.virtualadjacency.com/wp-content/uploads/2008/01/9-uli-telecommunities-may2005.pdf>.

³¹ O’Connell, Jonathan, “St. Elizabeths Renovation as Security Campus Faces Resistance,” *Washington Post*, March 30, 2012; and Medici, Andy, “Key Lawmaker to Focus on Waste, Misspending,” *federaltimes.com*, February, 22, 2013.

³² Moe, Richard, “A Disaster for St. Elizabeths,” *The Washington Post*, January 8, 2009.

³³ U.S. Congress, House Committee on Homeland Security, *Reality Check Needed: Rising Costs and Delays in Construction of New DHS Headquarters at St. Elizabeths*, prepared by Majority Staff of the Committee on Homeland Security, 113th Cong., 2nd sess., January 2014, p. 3.

headquarters consolidation to identify possible less resource-intensive solutions to the capability gaps the project is supposed to help meet.³⁴

Some in the local community have questioned whether a secure campus like the envisioned DHS headquarters will support significant economic activity in the surrounding area.³⁵ According to GSA testimony in 2010, the project would create 30,000 direct and indirect jobs during construction.³⁶ As of the end of 2012, according to GSA's website for the project, 5,653 people have been employed by the project, including 875 District residents.³⁷

St. Elizabeths was selected in part because of its ability to provide 4.5 million square feet of office space to house 14,000 personnel—a need that was calculated in 2006. Although the original intent was not to bring the entire DHS headquarters workforce to St. Elizabeths, with new constraints on the DHS budget, the department's workforce is unlikely to meet growth projections that formed part of the original justification for the project's size.

Additionally, patterns in the usage of federal office space have changed, with increasing use of telework and other space management strategies such as flexible and open office arrangements in recent years. The significance of these arrangements can be seen in through DHS's efforts to reduce its overall real estate footprint. In working to meet a government-wide goal of \$3 billion in non-BRAC³⁸ real estate savings from in FY2011 and FY2012, DHS effected \$238 million in savings—\$198 million (83%) of which was attributable to space management improvements.³⁹

DHS has indicated that additional capacity generated by these strategies would be used to bring a larger share of its headquarters functions onto the St. Elizabeths campus. However, these changes could justify revisiting the calculations projecting the footprint needed for DHS's headquarters, and questions could be raised over whether there is a rationale for DHS personnel beyond the 14,000 originally slated for St. Elizabeths to be moved there. Do all of DHS headquarters functions need to be consolidated on a high-security campus like St. Elizabeths, or would it be more cost effective to maintain some of them in another location?

Funding History

Structure

Funding for civilian federal government facilities is often provided through two separate sources—through the GSA, which is funded in the Financial Services and General Government Appropriations bill, and through the appropriations bill that funds the agency that will use the facility. When a federal department or agency lacks construction authority, as in the case of DHS, the construction of basic buildings is done through contracts let by and funded through GSA. The department that will use the building pays for “tenant improvements”—security, furniture,

³⁴ GAO-14-648, p. 18.

³⁵ Sheridan, Mary Beth, “Scouting a New Home for Homeland Security,” *The Washington Post*, October 14, 2007.

³⁶ Written testimony of Robert Peck, Commissioner, Public Buildings Service, General Services Administration, “Homeland Security Headquarters Facilities,” before the House Appropriations Committee's Homeland Security Subcommittee, March 25, 2010. Available at <http://www.gsa.gov/portal/content/104271>.

³⁷ “Opportunities Center Newsletter” Volume 3, Issue 7, p. 10. Posted January 29, 2013, at the “News & Events” tab of <http://stelizabethsdevelopment.com>.

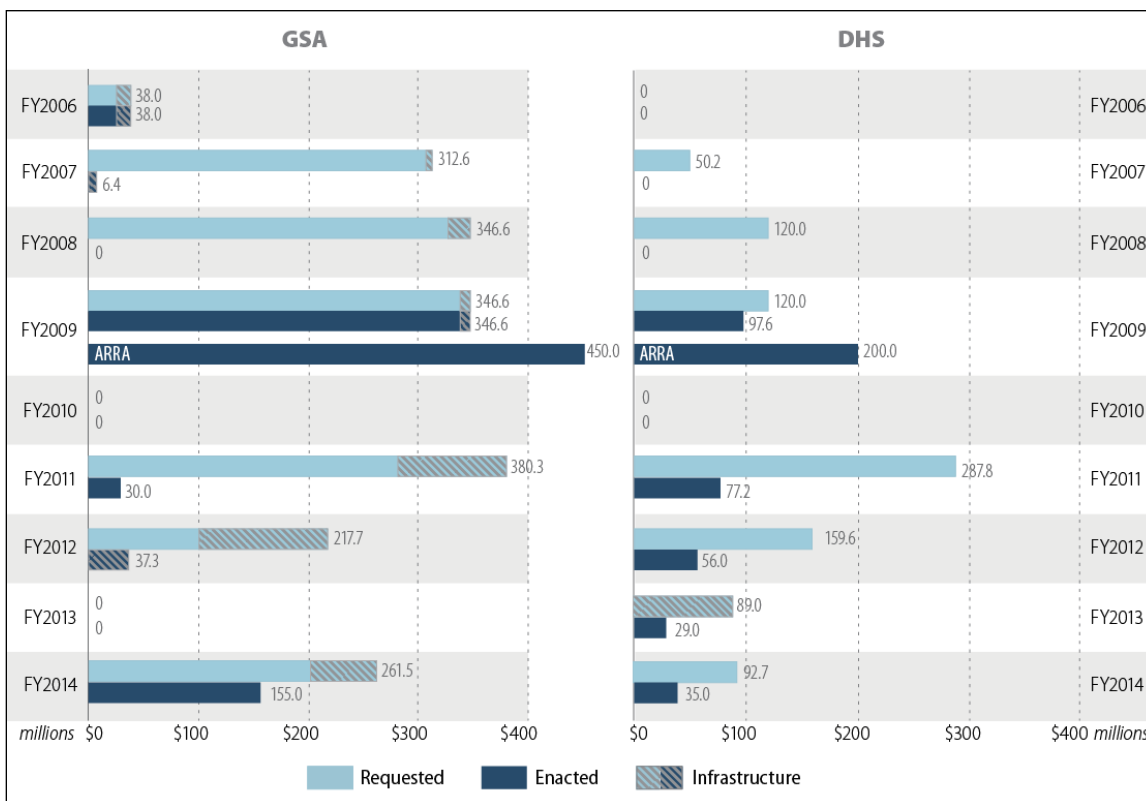
³⁸ Savings in real estate costs not associated with the Base Realignment and Closure process.

³⁹ “Managing Property Effectively” section of the performance.gov website (<http://finance.performance.gov/initiative/manage-property/home>), as viewed August 30, 2013

mission-specific equipment, amenities, and other finishes that make the building functional for its occupants.

Figure I. GSA and DHS funding for DHS St. Elizabeths Headquarters, FY2006-FY2014

(millions of dollars of budget authority)



Source: CRS analysis of FY2006-FY2014 conference reports; the U.S. General Services Administration's *FY2012 Expenditure Plan and Reprogramming Request for the Federal Buildings Fund*; FY2014 budget justifications for DHS and GSA; and funding summary documentation provided by DHS.

Note: Some of GSA's appropriations for St. Elizabeths pay for infrastructure and improvements that would be needed for any redevelopment of the site—a core responsibility of the GSA. It can be argued that these costs therefore are not directly attributable to the DHS headquarters project. However, detailed information is not available to break out such otherwise necessary site support costs from project costs. A detailed table of requests and appropriations is provided in the **Appendix**.

Figure 1 shows the funding requests made by previous and present Administrations through GSA and DHS for DHS headquarters consolidation at St. Elizabeths along with enacted funding levels, including funding for infrastructure improvements at the site once the initial headquarters project was announced, and the appropriations provided by Congress in response, from FY2006 through FY2014.⁴⁰

⁴⁰ GSA had a separate project to fund infrastructure upgrades at St. Elizabeths for future use, separate from the DHS headquarters consolidation project. However, as these upgrades support the headquarters consolidation, they are included to provide a more complete picture of the funding stream. FY2015 numbers are incomplete as DHS does not have a finalized annual appropriation for FY2015 as of the date of publication.

The St. Elizabeths project has to date received more than \$1.7 billion in appropriations. However, as **Figure 1** shows, the project has not been consistently funded to the levels requested under Administrations of either party.

As the figure illustrates, requests for funding were made but not fulfilled for the larger consolidation project in FY2007 and FY2008, which slowed the start of the project. The original DHS National Capital Region Master Plan envisioned the Coast Guard moving into its new headquarters in the last quarter of FY2010⁴¹—a move instead that began in the last quarter of FY2013.

FY2009 was the only year the St. Elizabeths project as presently envisioned received funding of more than \$200 million from either the DHS or GSA budget.⁴² The first of two consolidated appropriations bills⁴³ included funding for the Department of Homeland Security, including \$98 million for the Coast Guard Headquarters element of the project.⁴⁴ Five months later, outside the traditional allocation-constrained debate of regular appropriations bills, the American Recovery and Reinvestment Act of 2009⁴⁵ (ARRA) invested \$650 million in this capital project.⁴⁶ The FY2009 regular appropriations process concluded about three weeks later with the second of the two consolidated appropriations bills,⁴⁷ which included \$347 million for the project through GSA, matching the level requested by the Administration through the GSA budget request.⁴⁸ Requests for funding for FY2011 through FY2014 were only partially met, as was GSA's request for FY2015. DHS's FY2015 request remains unresolved as of the date of publication.

Current Status

Project Status

Operations

On July 29, 2013, a ceremonial ribbon-cutting took place for the new 1.2 million square foot Coast Guard Headquarters at St. Elizabeths. The Coast Guard is now operating for the first time in its history from a headquarters constructed specifically for its use.

Planning

In the months before the release of the FY2014 budget request, DHS officials indicated in testimony before Congress that DHS was preparing a new approach to the St. Elizabeths project

⁴¹ Department of Homeland Security, *Department of Homeland Security National Capital Region Housing Master Plan: Building a Unified Department*, Washington, DC, October 2006, p.16.

⁴² **Table A-1**, which outlines the history of requests and appropriations for this project in detail, is included in the **Appendix**, as well as a summary of the appropriations provisions from the other years where funding was requested.

⁴³ P.L. 110-329, 122 Stat. 3574.

⁴⁴ House Appropriations Committee Print, *Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009* (P.L. 110-329), *Division D—Department of Homeland Security Appropriations Act, 2009*, p. 589.

⁴⁵ P.L. 111-5, 123 Stat. 115.

⁴⁶ H.Rept. 111-16, p. 48, 432. ARRA was an economic stimulus package that provided almost \$800 billion in appropriations and revenue provisions passed in the midst of a recession.

⁴⁷ P.L. 111-8, 123 Stat. 524.

⁴⁸ House Appropriations Committee Print, *Omnibus Appropriations Act, 2009* (P.L. 111-8), *Division D—Financial Services and General Government Appropriations Act, 2009*, p. 907.

in light of the limitations on available funding. The original plan for St. Elizabeths was a coordinated approach, intended to maximize cost savings by coordinating construction efforts across the campus. DHS indicated that continuing with that plan given the level of appropriations support received after FY2009 was not feasible.⁴⁹ Then-DHS Under Secretary for Management Rafael Borrás noted in testimony before the House Appropriations Committee’s Homeland Security subcommittee that future requests would be scoped and packaged as individual segments rather than as larger coordinated pieces.⁵⁰

One example of how the inability to proceed with the coordinated construction schedule resulted in cost increases is the efficiency lost from construction of the departmental operation’s center. The coordinated construction plan called for a consolidated departmental operations center to be excavated and built at the same time as the Coast Guard headquarters. As the Coast Guard headquarters building was built into the side of a hill, the original construction plan would have taken advantage of the availability of the specialized crew and open space created by the construction to facilitate development of this new facility. Funding was not provided for this work. Therefore, this piece of the project will have to be developed at a later date and most likely at a higher cost, according to DHS and GSA. The operations center for the Coast Guard and an interim campus security control center will occupy some of the available space in the interim.⁵¹

A revised cost and schedule estimate was released in June 2013. The original cost estimate for the consolidation of DHS headquarters at St. Elizabeths was \$3.4 billion.⁵² The cost estimate under the revised 2013 schedule was \$4.5 billion. DHS has stated that increases in costs have been the result of delays in funding that have pushed back the construction schedule—not because of changes in the project’s design or requirements post-contract. According to DHS, all funded components of the project have proceeded on time and within their budget projections.⁵³

In addition to the lost efficiencies noted above, the June 2013 baseline for the project incorporated 3.5% annual inflation in construction costs.⁵⁴ DHS and GSA indicated that if the project is funded faster than the plan’s projection of one 300,000 gross square foot useable segment per year, the total cost for the completed project would be lower.⁵⁵

The revised schedule and cost estimate was criticized by GAO in a September 2014 report as being only partially or minimally compliant with leading practices for major capital projects.⁵⁶

⁴⁹ E-mail to CRS from DHS Legislative Affairs, September 4, 2012.

⁵⁰ Rafael Borrás, response to questioning during “Department of Homeland Security Facilities Hearing,” before the House Appropriations Committee Homeland Security Subcommittee, March 21, 2012.

⁵¹ Author’s conversations with DHS and GSA officials, November 16, 2011.

⁵² Duke, Elaine C., DHS Under Secretary for Management, written testimony, “Homeland Security Headquarters Facilities,” before the House Appropriations Committee Homeland Security Subcommittee, March 25, 2010, p. 11. Available at http://ipv6.dhs.gov/ynews/testimony/testimony_1274279995276.shtm.

⁵³ Borrás, Rafael, DHS Under Secretary for Management, written testimony, “Department of Homeland Security Facilities Hearing,” before the House Appropriations Committee Homeland Security Subcommittee, March 21, 2012. Available at <http://www.dhs.gov/news/2012/03/29/written-testimony-under-secretary-management-rafael-borras-house-appropriations>.

⁵⁴ Telephone conversation with DHS officials, August 14, 2013. Because of the size of the project, this is lower than the projected increases testified to by USM Borrás in 2012, who noted industry projected cost increases of 5-12% annually. [Written testimony, “Department of Homeland Security Facilities Hearing,” before the House Appropriations Committee Homeland Security Subcommittee, March 21, 2012. Available at <http://www.dhs.gov/news/2012/03/29/written-testimony-under-secretary-management-rafael-borras-house-appropriations>.]

⁵⁵ “St. Elizabeths Development Revised Baseline,” document provided by DHS, June 12, 2013, Note.

⁵⁶ U.S. Government Accountability Office, *Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation*, GAO-14-648, September 19, 2014, p. 31.

GSA and DHS indicated a revised plan for St. Elizabeths, including new cost and schedule estimates and more closely conforming to those leading practices, would be released with the President's FY2016 budget request.

FY2014 Appropriations

The Administration's FY2014 budget included requests for funding for the St. Elizabeths project through both GSA and DHS. The GSA request was for \$262 million—\$202 million for the next phase of the St. Elizabeths project, and \$60 million for infrastructure activities left undone from the previous phase. The DHS request included \$93 million for the next phase of construction, and \$13 million for support costs for campus security.

P.L. 113-76 included \$155 million through the GSA for the project and \$35 million through DHS for development of the project. \$13 million for support costs was provided through the Coast Guard operating expenses appropriation. The explanatory statement accompanying the FY2014 Homeland Security Appropriation Act called for an expenditure plan that included a revised schedule and cost estimate on the project and quarterly briefings "to highlight any deviation from the expenditure plan."⁵⁷

Combined, the two appropriations represented the largest appropriations provided for the project since FY2009. According DHS, the FY2014 appropriation was sufficient to begin work on the renovation of the central building on the St. Elizabeths campus, where the offices of the executive leadership of the department would be located⁵⁸—however, the funding was not adequate to keep up with the construction schedule outlined in 2013.

FY2015 Appropriations

The Administration's FY2015 budget request also included funding for the St. Elizabeths project through both GSA and DHS. The GSA request was for \$251 million—over half of which would go to constructing a new interchange to facilitate access to federal government facilities in the area from Interstate 295.⁵⁹ The DHS request included \$58 million for the next phase of construction and \$15 million for campus operational support costs.⁶⁰

The House-passed Financial Services and General Government Appropriations bill for FY2015⁶¹ included no funding for St. Elizabeths through the GSA. The Senate Appropriations Committee draft of the bill included \$251 million for the same.⁶² The House-reported Homeland Security Appropriations bill for FY2015 included no funding for headquarters consolidation at St. Elizabeths: Its Senate-reported counterpart included \$49 million through a general provision for operational support of the St. Elizabeths campus headquarters consolidation and completion of

⁵⁷ Explanatory statement accompanying H.R. 3547, as presented in House debate, *Congressional Record*, vol. 160, part 9 (January 15, 2014), p. H927, p. 10.

⁵⁸ U.S. Department of Homeland Security, "DHS Headquarters Consolidation: Staff Update," (slide deck) April 11, 2014, p. 4.

⁵⁹ "Prospectus—Construction: Department of Homeland Security Consolidation at St. Elizabeths, Washington DC," PDC-0002-WA15, p. 6, http://gsa.gov/graphics/pbs/FY2015_Washington_DC_Department_of_Homeland_Security_Consolidation_at_St_Elizabeths.pdf.

⁶⁰ Department of Homeland Security "Departmental Management and Operations: DHS Headquarters Consolidation Project, Fiscal Year 2015 Congressional Justification," p. 1.

⁶¹ H.R. 5016.

⁶² S. 2534, §540.

construction on one of the larger historic buildings on the site.⁶³ The consolidated appropriations act for FY2015 included \$144 million for the GSA—the amount requested for the new highway interchange—while DHS was funded by a short-term continuing resolution through February 27, 2015, which carried no specific direction regarding funding for headquarters consolidation.

Other Congressional Action

On September 19, 2014, the House Committee on Homeland Security’s Subcommittee on Oversight and Management held a hearing “to receive testimony regarding the Department of Homeland Security’s consolidation project at St. Elizabeths.”⁶⁴ The panel of witnesses included the Government Accountability Office, which released a report that same day that criticized the planning and projection practices used in advancing the headquarters consolidation project, and DHS and GSA, who were invited to respond. DHS and GSA indicated an updated project plan would be released with the President’s FY2016 budget request that would incorporate many of GAO’s recommendations.⁶⁵

The hearing also served as a platform for criticisms of the project lodged by the majority on the subcommittee in a report in January 2014. Among the items entered into the record for the hearing was a Senate Homeland Security and Government Affairs Committee majority staff report released September 19, 2014, that highlighted the importance of proceeding with the project.⁶⁶

In August 2013, H.R. 2611 was enacted into law, naming the new Coast Guard Headquarters at St. Elizabeths the “Douglas A. Munro Coast Guard Headquarters Building.” Signalman First Class Munro was the only Coast Guardsman to receive the Medal of Honor. The bill passed unanimously in the House, by unanimous consent in the Senate, and no commentary was made on the consolidated headquarters project during floor debate in either body.

On May 22, 2013, the House Committee on Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing on “Saving Taxpayer Dollars: Freezing the Federal Real Estate Footprint.” DHS Management Directorate Chief Readiness Support Officer Jeff Orner testified before the subcommittee on DHS’s real estate “footprint” and their efforts to improve its management, which costs them \$1.6 billion in rent and \$310 million in upkeep each year for all departmental real estate. In his testimony, he noted that implementation of flexible workplace strategies across DHS that result in more efficient use of space are expected to result in significant savings. As for St. Elizabeths, he noted that:

The Administration remains committed to a consolidated Headquarters in Washington, D.C., and will continue to work with Congress to advance consolidation during these challenging fiscal times. Our goal is to significantly reduce the number of locations in the

⁶³ S. 2534, 113th Congress, §540.

⁶⁴ Rep. Duncan, as recorded in CQ Congressional Transcripts, “House Homeland Security Subcommittee on Oversight and Management Efficiency Holds Hearing on Oversight of the Homeland Security Department’s Headquarters Project,” September 19, 2014.

⁶⁵ Chris Cummiskey, DHS Acting Under Secretary for Management, as recorded in CQ Congressional Transcripts, “House Homeland Security Subcommittee on Oversight and Management Efficiency Holds Hearing on Oversight of the Homeland Security Department’s Headquarters Project,” September 19, 2014, pp. 19-20.

⁶⁶ U.S. Senate Committee on Homeland Security and Governmental Affairs, majority staff report, “Security and Savings: The Importance of Consolidating the Department of Homeland Security’s Headquarters and St. Elizabeths,” September 19, 2014, at <http://hsgac.senate.gov/download/carper-report>.

[National Capital Region] with St. Elizabeths eventually housing the core of DHS leadership and mission functions. As the tenant of the St. Elizabeths campus, we continue to work with GSA to re-evaluate the program's original requirements in order to achieve the overall goals and objectives at the lowest cost to the taxpayer.⁶⁷

During its hearings on the FY2013 budget request the House Appropriations Committee's Homeland Security Subcommittee held a hearing on DHS facilities, focusing on two major DHS construction projects for which funding has been sought in recent years with limited success: the consolidated headquarters project and the National Bio- and Agro-defense Facility. Subcommittee Chairman Robert Aderholt pointed out that both projects "are complex and expensive undertakings with multi-year timelines," and "are also operating under significantly tighter budgets than anticipated when planning began several years ago." He went on to say that Congress "must take a more realistic look at [the St. Elizabeths project] and balance delays against possible cost increases," while asking DHS for minimum funding requirements and alternative solutions.⁶⁸

In the 112th Congress, S. 1546, the Department of Homeland Security Authorization Act of 2011, which was marked up by the Senate Homeland Security and Governmental Affairs Committee on September 21, 2011, included a section on DHS headquarters consolidation, directing that DHS consolidate its headquarters function at St. Elizabeths no later than the end of FY2018, and that all remaining departmental components and activities that be consolidated "to as few locations within the National Capitol [*sic*] Region as possible."⁶⁹

A Note on Observing Congressional Commentary

Members of the House and Senate have a variety of ways to express their position on particular issues to colleagues or executive branch officials. Many of these communications are not readily available for analysis. Therefore, it should be noted that an absence of commentary in the *Congressional Record* or committee reports or proceedings does not necessarily reflect the degree of concern with a given issue, or likewise support for or opposition to, a particular project.

For example, there is a comparatively high volume of commentary on the legislative record regarding the DHS headquarters consolidation project from the appropriations committees relative to the authorizing committees and individual members. This is in part because the appropriations committees generally respond to the Administration's requests for funding in a specific fashion on an annual basis through hearings, committee reports, and floor debate, and therefore touch on most topics that have funding needs associated with them on an annual basis, such as funding a project like DHS headquarters consolidation. The authorizers do not necessarily present legislation and accompanying reports on a specific topic like this each year, and floor time dedicated to this particular issue outside the appropriations process has been limited, so their communications on this issue may not be as readily apparent.

⁶⁷ Written testimony of Jeff Orner, DHS Management Directorate, before House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management hearing, "Saving Taxpayer Dollars: Freezing the Federal Real Estate Footprint," May 22, 2013. As downloaded from <http://www.dhs.gov/news/2013/05/22/written-testimony-dhs-management-directorate-house-transportation-infrastructure>.

⁶⁸ Representative Robert Aderholt, opening statement to "Department of Homeland Security Facilities Hearing," before the House Appropriations Committee Homeland Security Subcommittee, March 21, 2012.

⁶⁹ S. 1546 (112th Congress), §211.

Considerations for Congress

Implications of the Consolidated Headquarters Project

Consolidating DHS headquarters anywhere would change the department's current operating patterns in the National Capital Region. These changes would have operational, budgetary and cultural implications for DHS, and the consolidation vision presented in the St. Elizabeths project would provide its own particular texture to these changes.

Operations

Consolidating the headquarters components of DHS at a single site would facilitate both “vertical” coordination between departmental and component leadership and “horizontal” coordination among the department's components. With headquarters functions operating in spaces designed for a unified department, the structural hurdles to coordination are lowered. Having a single campus makes collaboration with other components easier to accomplish and can facilitate more effective departmental leadership.

The lack of a consolidated headquarters has hindered the development of a cohesive, maximally effective department in the eyes of some observers close to DHS.⁷⁰ Former Coast Guard Commandant Thad Allen testified on July 12, 2012, before the Senate Committee on Homeland Security and Governmental Affairs:

In the Washington Area the Department remains a disjointed collection of facilities and the future of the relocation to the St. Elizabeths campus remains in serious doubt. One of the great opportunity costs that will occur if this does not happen will be the failure to create a fully functioning National Operations Center for the Department that could serve as the integrating node for departmental wide operations and establish the competency and credibility of the Department to coordinate homeland security related events and responses across government as envisioned by the Homeland Security Act. As with the mission support functions discussed earlier, the Department has struggled to evolve an operational planning and mission execution coordination capability. As a result, the most robust command and control functions and capabilities in the Department reside at the component level....

The combination of these factors, in my view, has severely constrained the ability [of] the Department [to] mature as an enterprise. And while there is significant potential for increased efficiencies and effectiveness, the real cause for action remains the creation of unity of effort that enables better mission performance. In this regard, there is no higher priority than removing barriers to information sharing within the department and improved operational planning and execution.⁷¹

⁷⁰ For example, Rep. Bennie Thompson, opening statement to “Consolidating DHS: An Update on the St. Elizabeths Project,” hearing before the Subcommittee on Management, Investigations, and Oversight of the Committee on Homeland Security, House of Representatives, March 26, 2009, available at <https://www.hsdl.org/?view&did=25147>; and Chertoff, Michael, “The Department of Homeland Security: Past, Present, and Future,” at the Aspen Security Forum, July 28, 2012. Video available at <http://aspensecurityforum.org/2012-video-day-3>.

⁷¹ Statement of Thad W. Allen, Admiral, U.S. Coast Guard (retired), “The Future of Homeland Security: The Evolution of the Homeland Security Department's Roles and Missions,” Senate Committee on Homeland Security and Governmental Affairs, 112th Cong., 1st sess., July 12, 2012. Available at <http://www.hsgac.senate.gov/hearings/the-future-of-homeland-security-the-evolution-of-the-homeland-security-departments-roles-and-missions>.

National Operations Center

Currently, DHS operates a National Operations Center (NOC) at the Nebraska Avenue Complex. However, its ability to provide a robust command and control function and coordinate federal government incident response to an incident is constrained by its limited size and infrastructure.

Establishment of the type of NOC described in Admiral Allen’s testimony—often referred to as a Departmental Operations Center, or DOC—would have direct impact on both day-to-day and crisis operations of the department. Establishment of a new more capable operations center was recommended in *The Federal Response to Katrina: Lessons Learned*, the White House’s extensive after-action report from the hurricanes that hit the Gulf Coast in 2005. The report’s specific recommendation is as follows:

In order to strengthen DHS’s operational management capabilities, we must structure the Department’s headquarters elements to support the Secretary’s incident management responsibilities. First and most important, Federal government response organizations must be co-located and strengthened to manage catastrophes in a new National Operations Center (NOC). The mission of the NOC must be to coordinate and integrate the national response and provide a common operating picture for the entire Federal government.⁷²

In addition, under the plan for the consolidated headquarters, the DOC would be co-located with the operations centers of the individual DHS components. In *Homeland Security: Opportunities Exist to Enhance Collaboration at 24/7 Operations Centers Staffed by Multiple DHS Agencies*, GAO agreed that DHS’s plans to co-locate its headquarters, its component headquarters, and their respective staffs and operations centers at one location “could further enhance collaboration among DHS’s component agencies,” along with adoption of other key practices.⁷³ DHS has further indicated that increased operational effectiveness would result from the co-location of operations centers, and real estate efficiencies could be found from shared common functions, support rooms, and incident management spaces.⁷⁴

The establishment of the DOC without the presence of a consolidated headquarters would be difficult. The consolidated headquarters project brings, for the first time, the executive leadership of the department and a leadership presence from all its components together. Without consolidation, the DOC would necessarily be separated from either the executive levels of DHS or the leadership of components implementing the response.

The slower pace of consolidation under the new project baseline could also prove problematic. The establishment and activation of operations centers in Anacostia before their headquarters presence is established there could reduce efficiencies in some cases. For example, in the past, FEMA’s National Response Coordination Center (NRCC) has benefitted from co-location with senior management offices to support their response efforts. Under the new baseline, the NRCC appears to be slated to move to St. Elizabeths four years before the FEMA headquarters component is completed. According to DHS, should the project proceed along the timeline included in the new baseline, senior leadership of the components and component operations centers would move to St. Elizabeths simultaneously, in advance of the other headquarters functions of their components.⁷⁵

⁷² The White House, *The Federal Response to Katrina: Lessons Learned*, Washington, DC, 2006, pp. 69-70.

⁷³ GAO-07-89, *Homeland Security: Opportunities Exist to Enhance Collaboration at 24/7 Operations Centers Staffed by Multiple DHS Agencies*, October 2006, p. 8.

⁷⁴ E-mail from DHS Legislative Affairs, September 4, 2012. Available from the author to congressional clients upon request.

⁷⁵ Phone conversation with DHS officials, August 14, 2013.

Physical Facility Security

One operational question that arises in relation to this project is the advisability of a consolidated headquarters capacity from a security standpoint. Does consolidating the leadership of DHS at a single facility make it easier to secure, a more appealing target for efforts to disrupt it, or both?

In 1995, the Interagency Security Committee (ISC) was established by Executive Order 12977, and tasked with establishing policies for security of federal facilities, including developing and evaluating security standards. In 2003, it became part of DHS.

There are five levels of security standards for federal office buildings. Under the standards developed by the ISC, the proposed consolidated DHS headquarters would be classified as a Level V facility, the highest level on the scale. Buildings at this level are similar to those at the next level below in that they occupy more than 150,000 square feet and host more than 450 employees. The distinguishing characteristics of Level V facilities are that their missions “are considered critical to national security,” and the buildings themselves are “high threat/high profile facilities.”⁷⁶

While the operators of Level V facilities customize their facility security to meet their mission needs, minimum standards for this type of facility include 100-foot perimeter setbacks, 100-foot separation between parking facilities and buildings, and protected ventilation equipment (located away from high-risk areas) for the buildings.⁷⁷ It is impossible for DHS to ensure this level of security for all its headquarters components in its current state of dispersal across the National Capital Region. The status quo would leave parts of the headquarters function in facilities that do not meet Level V security standards. The Nebraska Avenue Complex (NAC), where the Secretary’s Office is currently located, provides Level V security,⁷⁸ but it is too small to accommodate the needs of a consolidated headquarters outlined in the master plan.

Planning documents indicate that part of the reasoning behind the selection of the St. Elizabeths site was the ability to implement Level V security standards at this particular location.⁷⁹

According to then-Acting DHS Under Secretary for Management Chris Cumiskey, GSA retained the St. Elizabeths campus in their real estate portfolio specifically for the use of agencies with high security requirements.⁸⁰ The St. Elizabeths site was the only site in the District able to accommodate the office space requirement and the security standards.⁸¹ The new Coast Guard headquarters and the temporary perimeter meet the standards for a Level V facility.

The security question extends beyond DHS headquarters’ offices. These offices, for the most part, do not have the same level of security as the NAC, and often occupy leased office space in commercial buildings. If they are targeted by terrorist violence, it is likely neighboring offices, buildings, and their personnel could be affected.

⁷⁶ GSA, “DHS Headquarters Consolidation Location Analysis,” September 2008, pp. 9-10.

⁷⁷ Ibid, pp. 11-12.

⁷⁸ E-mail from DHS Legislative Affairs, August 8, 2012.

⁷⁹ In a side note, according to briefings by DHS officials, use of the site by DHS also will also contribute to the security of government communications and military facilities that the site overlooks.

⁸⁰ Written statement of Chris Cumiskey, Acting Under Secretary for Management, Department of Homeland Security, before the House Committee on Homeland Security, Subcommittee on Oversight and Management Efficiency, *Oversight of the DHS Headquarters Project at St. Elizabeths: Impact on the Taxpayer*, 113th Cong., 2nd sess., September 19, 2014, p. 1.

⁸¹ Ibid, p. 15-63.

CIA headquarters and the Pentagon are high profile, consolidated headquarters that are considered Level V facilities. Both have been the targets of terrorist attacks. In the cases of attacks on both facilities, collateral damage was limited. If attacks using similar methodologies were carried out against DHS headquarters functions in their current locations, collateral damage would likely be greater due to the lack of separation of the DHS elements from the general population. For example, in February 2010 a man flew a private plane into a commercial office building housing IRS offices in leased space. While the IRS was his intended target, the crash and fire affected other tenants in the building, including multiple non-federal businesses.⁸²

It is also worth noting that both Level V facilities continued to operate in the face of the attacks. It is unlikely that targeted DHS offices with lower levels of security would be able to do the same.

One question would then seem to be, as there is already a Level V facility for part of DHS headquarters, does consolidating the headquarters function at St. Elizabeths further raise the profile of DHS, and make it a more likely target? This seems unlikely—DHS is already the third largest component of the federal government and is a well-known entity domestically and overseas. While the new headquarters would be larger, and parts are visible from a distance, it can be argued that the facility is no more intrusive than other defense-related facilities along the Potomac and Anacostia, the campus benefits from a significant setback, and the campus may be deemed a harder target than DHS's existing facilities as it was planned and built with DHS's needs in mind.

Regardless of whether the department's profile would be higher at St. Elizabeths, the essential question is whether whatever additional security risk that is entailed by consolidation is counterbalanced by whatever other operational, budgetary, and cultural benefits may accrue, including the additional protection afforded headquarters elements currently outside the NAC that move to the new facility.

Budget

Priorities

In previous years, the St. Elizabeths project was treated as a high priority for the Administration. While a shift to a lower public profile for the project might be considered simply a change in legislative tactics, in September 2011, as Congress was working on the FY2012 appropriations bills, Secretary Napolitano said:

With respect to DHS, yes, I expect we will flatten out and that's—that's not surprising. I mean, at the beginning of a department, of course you're going to be putting in more and more money until you get things kind of established and set up. There are things we'd like to do that are going to have to be postponed. St. Elizabeths is a good example, that's supposed to be our headquarters. We will have to postpone that.... I'd rather have the money to complete building a National Security Cutter for the Coast Guard and support the Secret Service in its activities, and sustain our efforts at the border than [have] a new building, and so that is why St. Es is on the chopping block for now. I think ultimately it will happen, but not now.⁸³

⁸² Furness, Ashley and Jacob Dirr, "City and County Dedicate Web Site to Austin Plane Crash," February 18, 2010, <http://www.bizjournals.com/austin/stories/2010/02/15/daily41.html?page=all>.

⁸³ Secretary of Homeland Security Janet Napolitano, press briefing, September 8, 2011, as recorded by Jason Miller of Federal News Radio and provided to CRS. Partial quote available in Jason Miller and Julia Ziegler's article, "DHS St. E's to be Victim of Budget Axe," *FederalNewsRadio.com*, September 9, 2011, <http://www.federalnewsradio.com/?nid=741&sid=2534819>.

The DHS Chief Financial Officer released the following statement shortly thereafter:

The Secretary's comments that the DHS Headquarters Consolidation Project [is] on the "budget chopping block" was in context of a conversation on how congressional budget cuts are impacting the Department. The Administration is committed to building a new headquarters for the Department in DC and will continue to work with Congress to move this project forward while maintaining frontline operations. However, we are revisiting the original assumptions on the use of the space as St. Elizabeth's [sic] based on projected budgets and growth of the Department.⁸⁴

As the then-Secretary alluded to in the former statement, the headquarters consolidation project was conceived in a different budget environment than exists today. At the time, projections for future budgets for both DHS and GSA could have more easily accommodated such a significant capital investment.

In the future fiscal environment influenced by the Budget Control Act⁸⁵ (BCA), it is reasonable to expect that the DHS budget will either remain relatively flat in nominal terms or decline over the near future. The estimates and projections for budget authority in the FY2015 budget request are somewhat distorted due to varying levels of spending on disaster relief, but the Administration's budget projection for DHS in FY2019 are for appropriated budget authority that is roughly on par with what the department received in FY2007. While the projections in the Administration's budget request are not binding, the minimal increases projected for FY2014-FY2018 indicate that a significant expansion in available budgetary resources is not anticipated.⁸⁶

This project is more significantly affected by the GSA's budget. Over \$2 billion of the initially projected \$3.4 billion in project costs was to be borne by the GSA through their budget—59% of the cost.⁸⁷ Under the revised baseline, GSA's share rises to \$2.8 billion of the \$4.5 billion total—roughly 63% of the total cost. This due in large part to cost escalations from delaying construction and loss of efficiencies from no longer following the coordinated construction plan. As shown in **Figure 1**, as with DHS appropriations, GSA appropriations have not kept pace with the construction plan for the project, either. GSA's budget faces arguably more severe constraints than that of DHS. The amount appropriated for construction and acquisition of facilities declined from nearly \$894 million in FY2010 to \$50 million in FY2012.⁸⁸ The resultant backlog of construction and renovation needs could create more competition for GSA's limited budget—GSA Administrator Dan Tangherlini indicated to reporters that that backlog had grown to \$4 billion as of April 2013.⁸⁹

The new baseline for the project does call for more than \$200 million in new funding for the project for each year from FY2014 to FY2017, including more than \$200 million from GSA alone each year. Meeting these projections could be seen as a significant statement on the part of

⁸⁴ Staff memorandum to Members of the House Committee on Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation, in re: Hearing on "Review and Status of the Multibillion-Dollar Department of Homeland Security Relocation Project in Washington, DC, and its Impacts on the U.S. Coast Guard," dated September 16, 2011.

⁸⁵ P.L. 112-25, 125 Stat. 240.

⁸⁶ *Budget of the United States Government, Fiscal Year 2014*, p. 222.

⁸⁷ Oral testimony of Robert Peck, Commissioner, Public Buildings Service, General Services Administration, "Homeland Security Headquarters Facilities," before the House Appropriations Committee's Homeland Security Subcommittee, March 25, 2010.

⁸⁸ CRS Report R40801, *Financial Services and General Government (FSGG): FY2010 Appropriations*, coordinated by Garrett Hatch, and CRS Report R42008, *Financial Services and General Government: FY2012 Appropriations*, coordinated by Garrett Hatch, p. 63.

⁸⁹ Medici, Andy, "White House Seeks Billions for New Construction," *Federal Times*, April 15, 2013, p. 9.

Congress, given the fact that FY2009 and FY2014 represented the only years in which the project received more than \$100 million from either GSA or DHS appropriations.

Even in this environment of fiscal constraint, however, Congress and the Administration continue to make affirmative choices to invest in a range of projects and services. The projected costs for DHS headquarters at St. Elizabeths could be met within the bounds of a BCA-influenced budget, or even a more limited one—the operative question is what level of priority is placed on this project in the overall budget by the Administration and, ultimately, by Congress. This prioritization could change significantly should the country be faced with a national-level incident where the lack of a more capable department-level operations center appears to constrain an effective federal response.

Overhead Savings

With the new timetable and cost increases outlined in the new baseline for the St. Elizabeths project, it may be useful to reexamine the cost savings that the St. Elizabeths project presents.

Generally speaking, government agencies pay lease costs to the GSA or private real estate owners for the facilities they operate from. Reducing these costs by moving from leased properties to government-owned facilities can free up additional resources, alleviating pressure from declining agency budgets over the long term. The up-front costs of these projects in times of tightening budgets can be difficult for agencies to absorb in formulating their budget requests or for Congress to approve in the context of balancing other priorities, as the appropriations process makes no accounting for longer-term savings.

GAO, in the cover letter accompanying a 2013 report on GSA leasing practices, framed the issue of overhead costs between leasing and owning real estate to meet agency needs this way:

[O]ur work over the years has shown that building ownership often costs less than operating leases, especially for long-term needs for space. In a series of reports since 1995, we found that for 67 of 89 General Services Administration (GSA) leases we examined, the government could have saved almost \$1 billion if it had constructed rather than leased space for federal agencies. As we have examined only a small number of GSA's total leasing actions since 1995, the potential savings from construction rather than leasing is likely to have been even higher.⁹⁰

Specifically, GSA and DHS have in previous years cited an estimated cost savings of \$600 million over 30 years for the St. Elizabeths project. As noted earlier, GSA's most recent estimate of cost savings from new construction versus leasing, before taking into account operational cost savings, is almost \$700 million, even with the higher project cost estimate.⁹¹ However, in its September 2014 report on DHS and GSA's management of the headquarters consolidation project, GAO noted that the underlying cost estimates may not be reliable, as they did not fully conform with "leading capital decision-making practices," and did not include full life-cycle costs.⁹²

⁹⁰ "Federal Real Property: Greater Transparency and Strategic Focus Needed for High-Value GSA Leases," GAO-13-744, p. 1, at <http://www.gao.gov/assets/660/657978.pdf>.

⁹¹ "Prospectus—Construction: Department of Homeland Security Consolidation at St. Elizabeths, Washington DC," PDC-0002-WA15, p. 13, at http://gsa.gov/graphics/pbs/FY2015_Washington_DC_Department_of_Homeland_Security_Consolidation_at_St_Elizabeths.pdf.

⁹² GAO-14-648, Highlights.

As DHS has been attempting to consolidate its headquarters functions and other offices, its components that occupy leased space have faced another complicating factor. In testimony before the House Appropriations Committee's Homeland Security subcommittee in the FY2013 appropriations cycle, DHS noted that they currently have 181 leases in 53 locations for headquarters components, 87% of which were to expire by 2016.⁹³ As their leases have matured, they have added short-term extensions so they can move to the envisioned new facilities or to space freed up by the movement of other offices. Delays in the completion of new space requires these offices to use more short-term leases, which are more expensive, and thus raise the department's overhead costs.⁹⁴ With budgeting tending toward an environment where absorbing rising costs requires matching reductions in spending elsewhere, this could in turn reduce the funding available for front line operations.

Aside from savings from lower leasing costs, some savings are to be expected with a consolidated headquarters from increased centralization of some support services. This should not be confused with the benefits of a "shared services" model for supporting the department or federal government. The use of shared services can generate efficiencies as well, but generally involves developing a different internal managerial relationship between enterprise operations and support functions, rather than simply consolidating them.⁹⁵

Culture

"One DHS"

One common line of thought among secretaries of the department from the very beginning has been the need to fuse the diverse components of the department into a single unit—development of "one DHS."⁹⁶ DHS Secretary Jeh Johnson reemphasized this point in a memorandum to DHS leadership four months after his swearing in, noting the importance of ensuring the department becomes "greater than the sum of its parts—one that operates with much greater unity of effort."⁹⁷ However, the department has yet to accomplish this goal. As retired Coast Guard Commandant Admiral Thad Allen testified before the Senate Homeland Security and Governmental Affairs Committee, "There has been hesitancy by components to relinquish control and resources to a Department that appears to be still a work in progress."⁹⁸

The question of whether the Department of Homeland Security should exist is not currently the focus of congressional debate. Although no authorization bill for the entire department has passed

⁹³ DHS handout, "Schedule Impacts to Migration Plan," distributed at "Department of Homeland Security Facilities Hearing," House Appropriations Committee Homeland Security Subcommittee, March 21, 2012.

⁹⁴ Oral testimony of Robert Peck, Commissioner, Public Buildings Service, General Services Administration, "Homeland Security Headquarters Facilities," before the House Appropriations Committee Homeland Security Subcommittee, March 25, 2010.

⁹⁵ Accenture, "Beyond Centralization: Deriving High Performance Through Fully Realized Shared Services," 2007, p. 5.

⁹⁶ Booz Allen Hamilton and Partnership for Public Service, "Securing the Future: Management Lessons of 9/11," August, 2011, p. 7.

⁹⁷ Memorandum to DHS leadership from Jeh Johnson, Secretary of the Department of Homeland Security, "Strengthening Departmental Unity of Effort," April 22, 2014, p. 1, at <http://www.hlswatch.com/wp-content/uploads/2014/04/DHSUnityOfEffort.pdf>.

⁹⁸ ADM Thad W. Allen, USCG (ret.), written testimony before the Senate Committee on Homeland Security and Governmental Affairs, "The Future of Homeland Security: The Evolution of the Homeland Security Department's Roles and Missions," July 12, 2012, p. 7.

either chamber since the department was established, it is also true that no legislation to fundamentally alter the structure of DHS has been marked up since December 2010.⁹⁹ Current issues include defining and refining the department's mission, and ensuring that the department can perform these missions effectively and efficiently. However, the persistence of some components' organizational structures from the pre-DHS era, the lack of integration between components with similar missions, and statements by prominent political figures inside and outside Congress¹⁰⁰ suggest that the issue is not completely settled.

Completion of a consolidated headquarters and co-location of headquarters functions is not sufficient to create the unified department with strong integrated management capacity across its components that is sought by Congress and the Administration. A repeated theme found in GAO analyses and in observations of witnesses testifying before the department's oversight committees is that successful integration of the department will take a long time to accomplish and require ongoing effort to maintain once it is achieved. Cathleen Berrick, in her capacity as Managing Director for Homeland Security and Justice Issues for the Government Accountability Office (GAO) had this to say in testimony before Congress on this particular challenge:

In 2003, we designated the implementation and transformation of DHS as high risk because it represented an enormous and complex undertaking that would require time to achieve in an effective and efficient manner, and it has remained on our high-risk list since. We reported that the components that became part of DHS already faced a wide array of existing challenges, and any failure to effectively carry out the department's mission would expose the nation to potentially serious consequences. In designating the implementation and transformation of DHS as high risk, we noted that building an effective department would require consistent and sustained leadership from top management to ensure the transformation of disparate agencies, program, and mission into an integrated organization, among other needs. Our prior work on mergers and acquisitions, undertaken before the creation of DHS, found that successful transformations of large organizations, even those faced with less strenuous reorganizations than DHS, can take years to achieve.¹⁰¹

The departmental leadership is aware of this challenge. Speaking at a hearing before the Senate Judiciary Committee, then-Secretary Napolitano noted:

We continue to excavate differences in systems and cultures and protocols and procedures. There has been a lot accomplished over the past nine years by my two predecessors, and over the past three-plus years now that I've been Secretary.

But given the size and scope of the merger that is underway, it does take time. The Department of Defense took, by most accounts, 40 years to really become unified as a department. My goal is to substantially beat that record.¹⁰²

The "unity of effort" initiative launched by Secretary Johnson calls for much greater coordination of planning, procurement, prioritization and mission execution, to be driven by the senior leadership of the various components of DHS. Consolidation of headquarters functions can

⁹⁹ CRS analysis of Legislative Information System data as of August 6, 2013.

¹⁰⁰ Lee, Tony, "Gingrich Hopes New Contract Will Re-Energize Campaign," *Human Events*, October 3, 2011, p. 10; Laing, Keith, "George McGovern Calls for Eliminating TSA, Homeland Security," *The Hill*, November 17, 2011; and Medici, Andy, "Key Lawmaker to Focus on Waste, Misspending," *federaltimes.com*, February, 22, 2013.

¹⁰¹ Statement of Cathleen Berrick before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, U.S. Senate Committee on Homeland Security and Governmental Affairs, September, 30, 2010 (GAO-10-911T), pp. 1-2.

¹⁰² Napolitano, Janet, response to question, "Oversight of the Department of Homeland Security" Senate Judiciary Committee, April 25, 2012.

contribute to this effort, and some observers believe it is a necessary step, but it is no “magic bullet” for the issues facing the department. The department as recently as 2011 viewed consolidation of DHS headquarters operations as only one of seven key initiatives to integrate its management functions.¹⁰³

Morale

Morale issues at DHS have been a matter of concern for both congressional authorizers and appropriators. According to the 2014 Office of Personnel Management (OPM) Federal Employee Viewpoint Survey and the Partnership for Public Service’s “Best Places to Work in the Federal Government”¹⁰⁴ analysis (which is based, in part, on the OPM survey), job satisfaction at DHS declined for the fifth year in a row, and for the second year in a row, DHS received the worst ranking among the 19 largest federal agencies.¹⁰⁵ Not only is DHS the lowest ranking among large federal agencies, the ratings for each category at DHS declined faster than average, except for pay—where the slight uptick in satisfaction did not keep pace with the average.

However, morale at DHS is not uniformly low, according to the partnership’s analysis. The partnership broke out data for 315 agency subcomponents across the federal government, including 15 at DHS. While several DHS subcomponents scored well, including two in the top 25% of ratings, 7 of the 15 were considered among the 15 worst places to work among the agency subcomponents. Three DHS subcomponents were the worst places to work among all 315 surveyed subcomponents government-wide.¹⁰⁶

Some observers have commented that DHS’s low employee morale could be exacerbated by the lack of a unified organizational culture—one of the problems a consolidated headquarters was intended to address. One way of assessing whether low DHS headquarters morale may be contributing to a larger morale problem would be through comparing overall job satisfaction and engagement of DHS headquarters offices to that of DHS field offices. Of the government-wide weighted survey responses, those coming from headquarters employees overall reflected more engagement and more satisfaction with their work than those coming from field personnel—a difference of 5% in scoring.¹⁰⁷ No analysis was available to compare the morale of DHS headquarters employees separate from non-headquarters employees, but the partnership’s subcomponent analysis indicated that the Office of the Secretary and the Management Directorate of DHS ranked 301st and 305th, respectively, among the 315 subcomponents in terms of places to work.

There was no data reported from the OPM survey¹⁰⁸ to either directly confirm or refute the idea that headquarters consolidation would have an impact on morale. However, one question in the survey did speak, albeit obliquely, to the adequacy of facilities. Question #14 asked respondents if they agree or disagree that “Physical conditions (for example, noise level, temperature, lighting, cleanliness in the workplace) allow employees to perform their jobs well.” Based on OPM’s

¹⁰³ GAO Report GAO-11-278, pp. 93-94.

¹⁰⁴ <http://bestplacetowork.org/BPTW/rankings/>.

¹⁰⁵ OPM, “2014 Federal Employee Viewpoint Survey Results: Employees Influencing Change” (Washington, DC, October, 2014), p. 68.

¹⁰⁶ <http://www.bestplacetowork.org/BPTW/rankings/detail/HS00>.

¹⁰⁷ U. S. Office of Personnel Management, *2014 Federal Employee Viewpoint Survey: Employees Influencing Change*, Washington, DC, September 21, 2012, p. 19. <http://www.fedview.opm.gov>.

¹⁰⁸ U. S. Office of Personnel Management, *2014 Federal Employee Viewpoint Survey: Employees Influencing Change*, Washington, DC, September 21, 2012, pp. 35-38, <http://www.fedview.opm.gov>.

reported weighted responses, government-wide, 65.6% agreed, while 20.1% disagreed.¹⁰⁹ As for DHS, only 59.4% agreed that physical conditions allowed them to perform their jobs well, while 25.4% disagreed.

The partnership's analysis did not examine this specific question, and at the time of publication, subcomponent-specific data on that question were unavailable from OPM.

Attitudes of DHS component staff reflected in several questions from the FedView survey could be reasonably expected to be impacted by the projected benefits of a consolidated headquarters. For example, for the roughly 7% of DHS employees who would relocate to St. Elizabeths, the new headquarters is designed to include daycare facilities. This could be expected to improve the department's scores linked to family-friendly culture and benefits among that group of employees. Co-locating headquarters could have a positive effect on teamwork ratings. It is also possible that existence of a consolidated headquarters could change perceptions or performance of leadership more broadly across the department, either symbolically or through actual management efficiencies that develop. However, issues of pay, advancement, diversity, and matching employee skills to their missions would likely remain unaffected.¹¹⁰

The funding of the project could have an indirect morale effect as well: Congressional decisions on capital investments in the department such as headquarters consolidation could be perceived by the employee base as an indirect validation or criticism of the department's work by Congress, or as a measure of the effectiveness of the departmental leadership in representing DHS interests before Congress.

As noted above, the Coast Guard currently operates from a new consolidated headquarters at St. Elizabeths, so its experience may in the future be informative regarding the impact of headquarters consolidation on morale, at some level. According to the partnership's analysis, the Coast Guard already scores relatively well, being the second-highest rated DHS subcomponent, coming in at 66th out of 315, government-wide. Unfortunately, the one year of survey data that would be derived from comparing the Coast Guard's 2013 and 2014 scores is a very limited sample, and neither the available information from the OPM survey nor the partnership analysis allows us to clearly isolate the impact of the Coast Guard headquarters move on morale.

Options

When Congress considers appropriations or authorization for the department, it could take a number of different approaches to the DHS headquarters consolidation process. With the Coast Guard moving into its new headquarters, some previously possible options become significantly less realistic, such as termination of the proposal and disposal of the site. With over a billion dollars invested and the Coast Guard occupying their new consolidated headquarters, one could argue the question is no longer whether to consolidate at St. Elizabeths, but instead how far that consolidation should go, and how quickly.

The following four examples of possible ways forward are discussed below:

- **Going No Further**—consolidating the Coast Guard headquarters on the St. Elizabeths campus, but not proceeding with the rest of the project;

¹⁰⁹ "Results from the 2014 Federal Employee Viewpoint Survey: Report by Agency," Washington, DC, 2014, p. 40.

¹¹⁰ Partnership for Public Service, "The Best Places to Work in the Federal Government," 2014. Rankings for the Department of Homeland Security as downloaded from <http://bestplacetowork.org/BPTW/rankings/detail/HS00> on December 9, 2014.

- **Going Further, with DHS as Sole West Campus Tenant**—Proceeding with the next phase of the project as envisioned;
- **Going Further, with DHS Sharing the West Campus**—downscoping the projected DHS presence at St. Elizabeths, but developing the rest of the secure campus for use by other federal partners;
- **Going Further, and Expediting Completion**—going beyond the existing funding baseline and taking steps to accelerate full consolidation.

Going No Further (Completion of Coast Guard Headquarters Only)

With the Coast Guard moving into its new headquarters, Congress may not choose to invest further in the consolidated headquarters for DHS due to budget constraints or a desire for DHS to rethink the consolidated headquarters model.

The Coast Guard's immediate needs for headquarters space have been satisfied, providing operational benefits, as their new headquarters is a single facility built expressly for them, as opposed to multiple leased offices on different sites not built to their specifications.¹¹¹ The more modern and capable facility may have positive impacts on the morale of the Coast Guard, although this could be balanced by perceptions of the new headquarters being isolated due to its location, which is not near other DHS components or connected to other federal facilities. However, it is worth noting that the campus would have been designed differently for the Coast Guard as a single tenant—shared facilities at the campus center would have been moved to the Coast Guard building to minimize the footprint, and costly upgrades to the campus utility infrastructure to support follow-on phases of the consolidation and investments in refurbishing the Center Building would not have been made. Capital costs have been incurred to establish a new temporary security perimeter for the current facility. These measures could be made permanent.

DHS headquarters functions would remain distributed across the National Capital Region, and thus inefficiencies from the continued distribution of the department's headquarters functions would continue to manifest themselves. The department's headquarters would still be heavily reliant on leased space for its real estate needs, which in addition to bearing higher costs than federally owned space, would run counter to the government's stated preference to use federally owned space for national security real estate needs. An explicit statement from Congress mandating termination of the project could relaunch an exploration of alternatives, but there is no guarantee that any alternatives identified would convey the same benefits as the St. Elizabeths project, or save taxpayer resources.

Such a decision could in turn lead to a decision about what to do with the rest of St. Elizabeths. If Congress chooses not to fund DHS use of the facility as a secured space, the GSA would still be responsible for maintaining the campus and putting it to use as a part of the federal real estate portfolio. If no other federal client requires the space, then disposal of the remainder of the site could be considered. GSA would still need to maintain the remainder of the St. Elizabeths campus until the property is disposed of. This would entail continued costs to GSA,¹¹² and disposal could

¹¹¹ Oral testimony of VADM John Currier (USCG), Deputy Commandant for Mission Support, "Review and Status of the Multibillion-Dollar Department of Homeland Security Relocation Project in Washington, DC, and its Impacts on the U.S. Coast Guard," House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation, September 23, 2011. Available at <http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg68482/pdf/CHRG-112hhrg68482.pdf>.

¹¹² Oral testimony of Robert Peck, Commissioner, Public Buildings Service, General Services Administration, "Review

be complicated by St. Elizabeths' status as a National Historic Landmark and the security concerns of the White House Communications Agency (WHCA), which has facilities overlooked by the St. Elizabeths campus.

Going Further, with DHS as Sole West Campus Tenant

If Congress chooses to support further DHS consolidation at St. Elizabeths, including the post-Katrina recommendation to establish a more capable department-wide operations center, it could proceed with funding the project. The next step would be to provide additional funding for completion of the departmental operations center and the renovation of the necessary buildings to relocate the executive-level departmental management to the St. Elizabeths campus.

This option would address one operational concern raised repeatedly by Admiral Allen—the lack of the department-wide operations center. However, that operations center would not benefit from the full headquarters presence of some of its users for several years under this timeline.

Fully funding the reuse of the existing historical buildings to house the Secretary's offices would represent a significant investment, but would take advantage of infrastructure improvements already made on the site and in the Center Building complex.

In terms of the cultural impact on the department, this option could show continuing progress toward a more fully integrated DHS, although at a slower pace than the original consolidated construction plan. As noted above, the most current cost and schedule estimate was released in June 2013. The projected funding was not provided in FY2014, and the methodology behind that cost and schedule estimate was criticized by GAO in a September 2014 report. A new plan for DHS headquarters consolidation, including cost and schedule estimates informed by GAO's recommendations, is expected with the FY2016 budget request. However, it is unlikely to include an aggressive coordinated construction schedule due to constraints on annual funding.

Given the slower time frame to completion, and the significant investment still required in the first few years of the project, largely through the GSA, some may question the sustainability of congressional commitment to the project over a longer period. Needing Congress to make repeated affirmative actions to fund the project in a tight budget era could jeopardize the project's chances to meet the new schedule.

Going Further, with DHS Sharing the West Campus

In considering the Administration's new plan, Congress could explore a rescoping of the DHS consolidated headquarters project. Currently, DHS plans to take advantage of workplace efficiencies to increase the share of DHS headquarters functions brought onto the St. Elizabeths campus. Downscoping the final DHS presence instead could possibly open space at St. Elizabeths for other federal agencies that would benefit from residing on a secure campus or collocating with DHS.

This could result in a more efficient use of space, but the operational impacts on DHS remain unclear. While DHS has stated that they continue to look at the use of flexible workspace arrangements, the promised new plan could spark public discussion of changes to building usage or footprint for the project.

and Status of the Multibillion-Dollar Department of Homeland Security Relocation Project in Washington, DC, and its Impacts on the U.S. Coast Guard," House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation, September 23, 2011. Available at <http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg68482/pdf/CHRG-112hhrg68482.pdf>.

Capping DHS's space to attempt to accommodate another as-yet unidentified Federal agency would bear its own set of risks. The organizational and security benefits of consolidation could be compromised by requiring more of headquarters to be off-campus. The historic re-use of existing buildings represents a significant challenge for any potential clients, whether they are DHS or other government agencies. If limitation is made and no additional partner is identified, cost savings from reductions in leased space would have been lost for no marginal benefit.

It is unlikely that such a sharing effort would result in cost savings to GSA, whose budget bears the majority of the project costs, no matter who the ultimate tenants are.

Going Further, and Expediting Completion

Congress could also choose to make this project a higher priority among those in the discretionary budget and fund this project aggressively, in an attempt to expedite its completion and salvage whatever savings are possible from coordinated construction of the remaining elements.

This option would seem to provide the maximum operational return, providing the infrastructure requested by DHS in its plans for a consolidated headquarters, establishing the departmental operations center, and shortening the time frame between its stand-up and the move of additional component headquarters functions to the campus. As such, if seen to completion, pursuing this option could help reduce barriers to information flow, support coordinated planning, and promote the development of a "One DHS" culture.

It is difficult to assess the precise budgetary impact of this option, as the Administration has only alluded to potential savings from acceleration in its most recent revised cost estimate. The Administration's new plan that may accompany the FY2016 budget request may provide more clarity on this. However, it would clearly require a significant adjustment of priorities across the federal discretionary budget to make room in the DHS and GSA allocations for a level of investment significantly higher than what has been provided since FY2009. While this option could capitalize on some savings from coordinated construction, many of those savings are no longer available.

Pursuit of this option could be interpreted as a statement that the general DHS structure is a settled matter for Congress and could provide the benefits outlined in DHS's justifications for this project. However, there is no guarantee of improved departmental performance or enhanced morale with this or any of these options.

Conclusion

It can be argued that the creation of DHS was a reaction to a national crisis. After years of reaction, departmental reorganization, and increasing distance from the events that led to the creation of the department, there are issues that remain from that more tumultuous time that have yet to be addressed.¹¹³ The consolidation of DHS headquarters functions is one of those unresolved issues.

At the time the Bush Administration unveiled its idea for the department, Stan Collender, writing for *National Journal*, pointed out that the Administration's plan did not answer the question of how transition costs would be paid for and where the new headquarters would be:

¹¹³ "The Department of Homeland Security: Past, Present and Future," Panel Discussion at the Aspen Security Forum, July 27, 2012. Video available at <http://aspensecurityforum.org/2012-video-day-3>.

[t]he assumption is that there will be moving costs involved as at least the administrative functions of the various homeland security agencies are brought together under one roof. Better coordination is, after all, one of the key reasons for this new department; it would make little sense to leave its disparate parts in different locations.

Collender went on to ask questions about building a new building, using an existing federal space, or leasing a private one, and finally noted the irony of the creation of the department and its inevitable transition costs eating into the operational funding for the various components.¹¹⁴ These questions of real property management and budget constraints remain an active part of the debate today.

Congress and the department are operating in a different environment than when the consolidation plan was originally drawn up, both in terms of the security threats the nation perceives and the budgetary situation. Even the expectations of what workspace is required for an agency to function has evolved over this period of time with the growing acceptance of telework and flexible office arrangements. The Administration's pending revised plan for St. Elizabeths may or may not fit these new realities better than the previous plans.

It is worth noting that making a decision to proceed or not with DHS headquarters consolidation on the West Campus St. Elizabeths will not make certain costs vanish. Whatever course Congress chooses to follow, costs will be rebalanced between a number of types of expenses: construction and move costs for a consolidated headquarters; continued rents for leases across the National Capital Region for maintaining existing headquarters facilities; or the possible (and more difficult to quantify) security, management, communications, logistics, and command and control impacts presented by both the status quo or any proposed change. GSA would also still be responsible for the not insignificant cost of restoring and maintaining the St. Elizabeths campus. The need for the continuing missions of the DHS components, the existence of DHS as an entity, and the realities of putting St. Elizabeths back to productive use drive these costs—even an optimally efficient mix of these investments will still result in significant costs to the federal government.

Given the size of the department, the importance of its missions, and the scale of these costs, how the DHS headquarters functions are housed and managed will be an issue of congressional interest for years to come.

¹¹⁴ Stan Collender, "Moving Costs," *National Journal*, June 19, 2002.

Appendix. History of Project Appropriations

Analysis of Fiscal Years with Denied Requests or Partial Funding, FY2007-FY2013

Appropriations for the DHS headquarters consolidation effort are carried in two bills: the construction needs for the basic buildings and infrastructure are typically funded in the Financial Services and General Government appropriations bill, through the General Services Administration (GSA), while the mission-specific needs are typically funded through the Homeland Security appropriations bill. **Table A-1** at the end of the **Appendix** provides a summary of funding requested and ultimately appropriated for the consolidation of Coast Guard and DHS headquarters at St. Elizabeths.

FY2007

In the course of developing the FY2007 appropriations bills, the House Appropriations Subcommittee for Homeland Security stated that the initial proposal for Coast Guard headquarters evolved into a consolidated headquarters project without answers being provided to the committee on the reasoning behind the site choice, the full range of costs involved and what components would move. The committee rejected funding for the Coast Guard Headquarters project in the report accompanying the bill.¹¹⁵ Roughly a month later, the Senate Homeland Security appropriations report took a substantively similar position, which was echoed in the final conference report. Both House and Senate appropriators were concerned that DHS was wasting money on investing in the Nebraska Avenue Complex, which they would then abandon for a newer, larger, more expensive headquarters at St. Elizabeths.¹¹⁶

When the House Appropriations Committee reported out the Transportation, Treasury, and Housing and Urban Development appropriations bill, which at the time included GSA, the committee report for the bill also rejected the Coast Guard project, but on the basis of their belief that the project would have little positive impact on the local community.¹¹⁷ The Senate companion report was silent on the project, and the year ending continuing resolution (P.L. 110-5) expressly denied funding for a Coast Guard Headquarters at St. Elizabeths.¹¹⁸

FY2008

For FY2008, the House Appropriations Committee recommended partial funding for the project, while still expressing concerns about overinvesting in the Nebraska Avenue Complex and the breadth of the St. Elizabeths project.¹¹⁹ The Senate also provided partial funding for the project, but in the Consolidated Appropriations Act, 2008 (P.L. 110-161), \$6 million was provided for continuing improvements at the Nebraska Avenue Complex, rather than the \$101 million

¹¹⁵ U.S. Congress, House Committee on Appropriations, Subcommittee on Homeland Security, *Department of Homeland Security Appropriations Bill, 2007*, Report together with Additional Views to accompany H.R. 5441, 109th Cong., 2nd sess., May 22, 2006, H.Rept. 109-476 (Washington: GPO, 2006), pp. 15-16.

¹¹⁶ H.Rept. 109-699, pp. 118-119.

¹¹⁷ H.Rept. 109-495, p. 175.

¹¹⁸ P.L. 110-5, *Revised Continuing Appropriations Resolution*, 121 Stat. 57.

¹¹⁹ H.Rept. 110-181, p. 18-19.

provided in the House bill for the NAC and St. Elizabeths or the \$88 million provided in the Senate for St. Elizabeths alone.¹²⁰

In FY2008, the GSA appropriations were moved to the Financial Services and General Government Appropriations Act, where they remain today. The House Financial Services Appropriations Subcommittee expressed concern about the size of the Coast Guard project, and about possible overinvestment in the NAC given the impending move, but did not explicitly restrict funding for the projects, despite undesignated cuts to the accounts that would support the projects.¹²¹ The Senate funded the requested projects in full, but in the final version of P.L. 110-161, only \$28 million in funding for the NAC remained.¹²²

FY2011¹²³

For FY2011, the Administration requested \$380 million through the GSA for construction, infrastructure, historic preservation efforts, and initial work on the new highway interchange. It also sought almost \$288 million through the DHS budget for headquarters consolidation, as well as consolidation of its leases housing more mission support functions outside St. Elizabeths. The combined appropriation for the requested budget for the project was unmet, falling over half a billion dollars short of the total request, despite testimony before the House Appropriations Committee's Homeland Security Subcommittee about the urgency of the need and the potential long-term budget savings.¹²⁴ FY2011 appropriations for federal government operations were provided through a year-long continuing resolution (CR), which included \$77 million for the headquarters consolidation project through DHS.¹²⁵ The GSA had requested \$381 million for St. Elizabeths, ultimately provided \$30 million to the project from the \$82 million it received for construction projects nationwide under the CR.¹²⁶

FY2012

For FY2012, the Administration requested \$215 million for headquarters consolidation through the DHS budget, including \$160 million for new construction at St. Elizabeths, and \$55 million for lease consolidation. They also requested \$217 million in the General Services Administration budget for the project through the Federal Buildings Fund, including funding for planned highway alterations to provide better motor vehicle access to the campus.

The House did not fund the project in the House-passed DHS appropriations bill. In report language, the committee stated:

[B]oth costs and schedule of the current project are matters of concern for the Committee. In hearings the Committee held on the St. Elizabeths project in 2010, it became clear that

¹²⁰ House Appropriations Committee Print, *Consolidated Appropriations Act, 2008* (P.L. 110-161), *Division E—Department of Homeland Security Appropriations Act, 2008*, p. 1022.

¹²¹ H.Rept. 110-207, p. 63-64.

¹²² P.L. 110-161, *Division D—Financial Services and General Government Appropriations Act, 2008*, p. 828.

¹²³ No request was made for the St. Elizabeths project for FY2010 through either GSA or DHS, due to the unobligated balances from FY2009 annual and supplemental appropriations of almost \$1.1 billion.

¹²⁴ U.S. Congress, House Committee on Appropriations, Subcommittee on Homeland Security, *Hearings, Part 2, Homeland Security Headquarters Facilities*, 111th Cong., 2nd sess., March 25, 2010 (Washington: GPO, 2010), pp. 333-405.

¹²⁵ P.L. 112-10, 125 Stat. 140.

¹²⁶ Department of Homeland Security, "DHS Headquarters Consolidation: CRS St. Elizabeths Tour" slide deck, November 16, 2011, p. 7.

adequate cost controls were essential for this project.... Yet costs have grown in a year from \$3,400,000,000 to \$3,600,000,000 chiefly due to increases in the General Services Administration share of the project. The Committee notes that dependence on GSA funding requires coordination of funding and management, and that the proposed DHS request, even if resources were available, would likely not coincide with necessary GSA funding. Furthermore, delays are already being factored into the Department's planning, as it has projected it will postpone work on the FEMA section of the facility.¹²⁷

In minority views included in the report, the ranking members of the House subcommittee and full committee had a different perspective:

Of particular concern is the decision to provide no funding for the new DHS headquarters or for the consolidation of leased property, a penny-wise and pound-foolish decision. Already, based on the delay in finalizing the 2011 bill and the reduced resources provided in that bill for DHS headquarters construction activities, the cost of the headquarters project has grown by \$200 million, from a total cost of \$3.4 billion to \$3.6 billion. The decision to deny an additional \$159,643,000 in 2012 to finalize construction of the first phase of the new headquarters project and begin construction on the second phase will result in higher costs in the out years and will delay, by at least one year, when the Coast Guard can move into its new headquarters facility (phase one), which is already under construction.¹²⁸

The Senate Appropriations Committee recommended \$56 million in Title V of their version of the DHS appropriations bill to complete the Coast Guard headquarters facility, \$159 million (74%) below the President's requested funding level. The Senate Appropriations Committee also expressed concern that limited funding would result in no other DHS headquarters components using the St. Elizabeths campus, and included in their bill a requirement that DHS provide within 60 days of enactment an expenditure plan and an initial analysis of the mix of offices to be housed at the headquarters complex.¹²⁹

The House Appropriations Committee's Financial Services Subcommittee rejected the Administration's entire \$840 million request for construction and acquisition under GSA's Federal Buildings Fund. In zeroing out the request for construction, the report noted "Adding to the Federal inventory of buildings is not welcomed at a time when the management and use of the current inventory is less than optimal."¹³⁰ The chairmen of the House subcommittee and full committee expressed concern about the deep cuts in GSA's budget, noting that it reversed a position taken by the current chamber majority in the FY2008 bill. However, the report does not mention the DHS project specifically.

The Senate Appropriations Committee's Financial Services Subcommittee provided \$65 million for the entire construction and acquisition activity at GSA, rather than the \$840 million requested. No mention is made in the bill or report of the DHS headquarters project.¹³¹

In the final consolidated appropriations bill for FY2012, the overall combined request of \$377 million for GSA and DHS contributions to St. Elizabeths resulted in only \$93 million in appropriations, with \$56 million provided to DHS to complete only the construction of the Coast

¹²⁷ H.Rept. 112-91, p. 16.

¹²⁸ Ibid., p. 202.

¹²⁹ S.Rept. 112-74, pp. 161-162.

¹³⁰ U.S. Congress, House Committee on Appropriations, Subcommittee on Financial Services and General Government, *Financial Services and General Government Appropriations Bill, 2012*, Report to accompany H.R. 2434, 112th Cong., 1st sess., July 7, 2011, H.Rept. 112-136 (Washington: GPO, 2011), pp. 48-49.

¹³¹ The Senate Appropriations Committee Financial Services Subcommittee provided \$65 million for the entire construction and acquisition activity at GSA, rather than the \$840 million requested.

Guard portion of the headquarters.¹³² The remaining \$37 million for the St. Elizabeths project came from the \$50 million GSA received for construction projects nationwide. DHS has indicated that the GSA funding was inadequate to complete work as planned for the Coast Guard to occupy its new headquarters, so several elements of Phase I have been delayed and the funding for those elements redirected to ensure the needed work could be done.

FY2013

The Administration's FY2013 budget request for the Department of Homeland Security included \$89 million for construction related to St. Elizabeths, and \$24.5 million for the Coast Guard to cover operational transition costs for the move to the new facility. The GSA budget included no funding request for the project. However, it is noteworthy that the DHS budget justification indicated the request is "to construct I-295/Malcolm X Avenue interchange improvements and West Campus access road extension from Gate 4 of the U.S. Coast Guard Headquarters Building to Malcolm X Avenue."¹³³ Funding for this type of infrastructure, which in this case supports access to multiple federal facilities aside from the St. Elizabeths campus, has traditionally been requested and provided in the GSA budget.

The House Appropriations Committee recommended no funding for the highway interchange or any part of the St. Elizabeths project through the management accounts, noting in its report the irregularity of funding a highway interchange through the Homeland Security bill. The bill would have provided the Administration's requested funding for the Coast Guard. In addition, \$10 million would have been provided through the Coast Guard's construction budget to provide additional support for the project.

In the report accompanying H.R. 5855, the committee noted the following:

The Committee recommends no new construction funding in the bill for new Departmental Headquarters Consolidation expansion. This is \$89,000,000 below the request. Funding is included, as requested, as part of the Coast Guard appropriation to cover the costs associated with completing the move of the Coast Guard headquarters to St. Elizabeths. Associated with this, as described below, is additional funding under Coast Guard construction to ensure completion of the current project, improve site access, and support analysis for follow on work and any necessary planning adjustments for schedule, scope, and cost.

...

The Committee understands that the Department ... is actively exploring options to creatively modify or consolidate current leases, in the expectation that a permanent headquarters construction site will be significantly delayed or amended. The Committee encourages the Department to continue this effort and to inform the Committee of its progress in consolidation no later than 90 days after the date of enactment of this Act, including a revised schedule and cost estimates. Further, as noted above, the Committee includes \$10,000,000 under the Coast Guard Acquisition, Construction, and Improvements account to complete Phase 1 of construction, ensure Coast Guard will be able to move in 2013 and that there will be no obstacles to access and transportation into the site, and to support orderly planning and analysis for the overall project.¹³⁴

¹³² In their spending plan released on January 27, 2012, GSA indicated they would spend \$37 million on the St. Elizabeths project.

¹³³ U.S. Department of Homeland Security, *Fiscal Year 2013 Congressional Justification*, Departmental Management and Operations, DHS Headquarters Consolidation Project, Washington, DC, February 13, 2012, p. 5.

¹³⁴ H.Rept. 112-492, pp. 19-20.

In the minority views accompanying the report, the ranking members of the subcommittee and full committee noted the following:

The bill also fails to provide the \$89 million for site access, including necessary road and interchange improvements, for DHS personnel to access the new DHS headquarters. The new DHS headquarters project has been shortchanged over the past few years, causing repeated schedule delays and increasing the costs from \$3.4 billion to just over \$4 billion if all three phases are constructed. In the interim, the Coast Guard may be the only tenant at this new facility for the next 3-5 years, as the bill funds only this relocation in 2013. The bill does not include any funding for Phase 2, which was to begin construction for DHS central headquarters and FEMA.¹³⁵

The Senate Appropriations Committee recommended \$89 million for the highway interchange, although it was funded as a part of the Under Secretary for Management's office through a general provision rather than as a stand-alone appropriation in departmental operations as requested. The committee also fully funded the Coast Guard's operational transition costs for the move. No funding was provided for the project through the Coast Guard construction budget. An amendment¹³⁶ was offered in full committee markup on May 22, 2012, to use the \$89 million for the highway interchange as an offset for an unrelated amendment. The amendment failed on a 15-15 vote, and the funding remained in the reported version of the legislation.

In the report accompanying S. 3216, the committee noted the following:

Pursuant to section 549, a total of \$89,000,000 is provided for "Office of the Under Secretary for Management" for costs associated with headquarters consolidation and mission support consolidation. The Under Secretary shall submit an expenditure plan no later than 90 days after the date of enactment of this act detailing how these funds will be allocated, including a revised schedule and cost estimates for headquarters consolidation. Quarterly briefings are required on headquarters and mission support consolidation activities, including any deviation from the expenditure plan. According to the Department, an updated plan is being developed in coordination with the General Services Administration to complete the headquarters consolidation project in smaller, independent segments that are more fiscally manageable in the current budget environment. The Department expects this updated plan to be completed by the end of summer 2012 and it is to be submitted to the Committee upon its completion. The Committee expects the plan to identify the discrete construction segments, the associated resource requirements for each segment, and the proposed timeline for requesting funding to complete each segment.¹³⁷

P.L. 113-6 provided \$29 million in a general provision for "necessary expenses to plan, acquire, design, construct, renovate, remediate, equip, furnish, improve infrastructure, and occupy buildings and facilities for the department headquarters project and associated mission support consolidation." According to the DHS operating plan, this amount was not reduced through sequestration.

FY2014 Appropriations

The Administration's FY2014 budget included requests for funding for the St. Elizabeths project through both GSA and DHS. The GSA request was for \$262 million—\$202 million for the next phase of the St. Elizabeths project and \$60 million for infrastructure activities left undone from

¹³⁵ H.Rept. 112-492, p. 204.

¹³⁶ The amendment was offered by Senator Dan Coats and Senator Kay Bailey Hutchison.

¹³⁷ S.Rept. 112-169, p. 20.

the previous phase. The DHS request included \$93 million for the next phase of construction and \$13 million for support costs for campus security.

P.L. 113-76 included \$155 million through the GSA for the project and \$35 million through DHS for development of the project. \$13 million for support costs was provided through the Coast Guard operating expenses appropriation. The explanatory statement accompanying the FY2014 Homeland Security Appropriation Act called for an expenditure plan that included a revised schedule and cost estimate on the project and quarterly briefings “to highlight any deviation from the expenditure plan.”¹³⁸

Combined, the two appropriations represented the largest appropriations provided for the project since FY2009. According DHS, the FY2014 appropriation was sufficient to begin work on the renovation of the central building on the St. Elizabeths campus, where the offices of the executive leadership of the department would be located¹³⁹—however, the funding was not adequate to keep up with the construction schedule outlined in 2013.

FY2015 Appropriations

The Administration’s FY2015 budget request also included funding for the St. Elizabeths project through both GSA and DHS. The GSA request was for \$251 million—over half of which would go to constructing a new interchange to facilitate access to federal government facilities in the area from Interstate 295.¹⁴⁰ The DHS request included \$58 million for the next phase of construction and \$15 million for campus operational support costs.¹⁴¹

The House-passed Financial Services and General Government Appropriations bill for FY2015¹⁴² included no funding for St. Elizabeths through the GSA. The Senate Appropriations Committee draft of the bill included \$251 million for the same.¹⁴³ The House-reported Homeland Security Appropriations bill for FY2015 included no funding for headquarters consolidation at St. Elizabeths: Its Senate-reported counterpart included \$49 million through a general provision for operational support of the St. Elizabeths campus headquarters consolidation and completion of construction on one of the larger historic buildings on the site.¹⁴⁴ The consolidated appropriations act for FY2015 included \$144 million for the GSA—the amount requested for the new highway interchange—while DHS was funded by a short-term continuing resolution through February 27, 2015, which carried no specific direction regarding funding for headquarters consolidation.

¹³⁸ Explanatory statement accompanying H.R. 3547, as presented in House debate, *Congressional Record*, vol. 160, part 9 (January 15, 2014), p. H927, p. 10

¹³⁹ U.S. Department of Homeland Security, “DHS Headquarters Consolidation: Staff Update,” (slide deck) April 11, 2014, p. 4.

¹⁴⁰ “Prospectus—Construction: Department of Homeland Security Consolidation at St. Elizabeths, Washington DC,” PDC-0002-WA15, p. 6, at http://gsa.gov/graphics/pbs/FY2015_Washington_DC_Department_of_Homeland_Security_Consolidation_at_St_Elizabeths.pdf.

¹⁴¹ Department of Homeland Security, “Departmental Management and Operations: DHS Headquarters Consolidation Project, Fiscal Year 2015 Congressional Justification,” p. 1.

¹⁴² H.R. 5016.

¹⁴³ S. 2534, §540.

¹⁴⁴ S. 2534, 113th Congress, §540.

Table A-I. DHS and GSA Appropriations for St. Elizabeths (FY2006-FY2015)
(in thousands of dollars of budget authority)

FY	Dept.	Activity	Request	Appropriation
2006	GSA	Coast Guard Consolidation	24,900	24,900
	GSA	St. Elizabeths West Campus Infrastructure	13,095	13,095
		Total	37,995	37,995
2007	GSA	Coast Guard Consolidation	306,139	0
	GSA	St. Elizabeths West Campus Infrastructure	6,444	6,444
		<i>GSA Subtotal</i>	<i>312,583</i>	<i>6,444</i>
	DHS	Coast Guard Headquarters (Operating Expenses)	50,200	0
		Total	362,783	6,444
2008	GSA	DHS Consolidation and Development of St. Elizabeths Campus	318,887	0
	GSA	St. Elizabeths West Campus Infrastructure	20,752	0
	GSA	St. Elizabeths West Campus Site Acquisition	7,000	0
		<i>GSA Subtotal</i>	<i>346,639</i>	<i>0</i>
	DHS	Consolidated Headquarters at St. Elizabeths	120,000	0
		Total	466,639	0
2009	GSA	DHS Consolidation and Development of St. Elizabeths Campus	331,390	331,390
	GSA	St. Elizabeths West Campus Infrastructure	8,249	8,249
	GSA	St. Elizabeths West Campus Site Acquisition	7,000	7,000
		<i>GSA Subtotal</i>	<i>346,639</i>	<i>346,639</i>
	DHS	Coast Guard/DHS Headquarters	120,000	97,578
		Total	466,639	444,217
2009 (ARRA)	GSA	Consolidated Headquarters at St. Elizabeths	n/a	450,000
	DHS	Consolidated Headquarters at St. Elizabeths	n/a	200,000
		Total ARRA funds	—	650,000
2010		No Request	—	—
2011	GSA	St. Elizabeths DHS Consolidation and Development	267,675	30,000
	GSA	St. Elizabeths West Campus Infrastructure	99,281	0
	GSA	St. Elizabeths Historic Preservation Mitigation	4,990	0
	GSA	St. Elizabeths Highway Interchange	8,350	0
		<i>GSA Subtotal</i>	<i>380,296</i>	<i>30,000</i>
	DHS	Consolidated Headquarters at St. Elizabeths	287,800	77,245
		Total	668,096	107,245
2012	GSA	St. Elizabeths Activities	100,000	0
	GSA	St. Elizabeths East Campus Road Development	20,400	0

FY	Dept.	Activity	Request	Appropriation
	GSA	St. Elizabeths Highway Interchange	55,400	0
	GSA	St. Elizabeths West Campus Infrastructure	41,906	37,300
		<i>GSA Subtotal</i>	<i>217,706</i>	<i>37,300</i>
	DHS	Consolidated Headquarters at St. Elizabeths	159,643	55,979
		Total	377,349	93,279
2013	GSA	None	0	0
	DHS	St. Elizabeths	89,000	28,962
	DHS	Coast Guard Operations	24,500	0
		Total	113,500	28,962^a
2014	GSA	St. Elizabeths Activities	201,531	155,000
	GSA	St. Elizabeths West Campus Infrastructure	60,000	n/a
		<i>GSA Subtotal</i>	<i>261,531</i>	<i>155,000</i>
	DHS	HQ Consolidation – St. Elizabeths	92,700	35,000
	DHS	St. Elizabeths Support Costs	12,800	12,800
		<i>DHS Subtotal</i>	<i>105,500</i>	<i>47,800</i>
		Total	367,031	202,800
2015	GSA	Consolidation at St. Elizabeths	250,534	144,000
	DHS	DHS HQ Consolidation – St. Elizabeths	57,700	n/a ^b
	DHS	DHS HQ Consolidation – St. Elizabeths Support Costs	15,300	n/a ^b
		<i>DHS Subtotal</i>	<i>73,000</i>	<i>n/a^b</i>
		Total	323,534	n/a^b
TOTALS		Total GSA Funding		1,207,378
		Total DHS Funding		494,764
		Total Project Funding		1,702,142

Source: CRS analysis of GSA and DHS budget request documents and appropriations conference reports.

Notes: GSA funding for headquarters consolidation and St. Elizabeths has been provided under multiple project names over the course of the project. Subtotals are therefore included in the table for GSA. In FY2007, funding for Coast Guard Headquarters consolidation was requested under Coast Guard Operating Expenses, Headquarters Directorates. GSA provided \$30 million in FY2011, designated for critical occupancy issues for the Coast Guard and the first stages of the Departmental Operations Center. It was not attributed to specific projects.

- Reflects the post-sequester funding level reported in the *FY2013 DHS Post-Sequester Operating Plan* released April 26, 2013.
- At the time of publication, DHS was operating under the terms of a continuing resolution through February 27, 2015, which provided no project-specific direction on St. Elizabeths.

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